

# DAILY REPORT

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*China*

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WU XUEQIAN SPEAKS AT UN GENERAL ASSEMBLY SESSION

## Stresses PRC's Independence

OW272218 Beijing XINHUA in English 2151 GM 27 Sep 83

[Text] United Nations, September 27 (XINHUA) -- Chinese Foreign Minister Wu Xueqian reaffirmed here today that China "will steadfastly pursue an independent foreign policy," opposing hegemonism and safeguarding world peace and security.

In his speech at the plenary meeting of the 38th session of the United Nations General Assembly, the chairman of the Chinese delegation said, "safeguarding world peace is the most important facing mankind today [as received] and the primary concern of all peoples in the world. Working hard for the modernization of their country and the improvement of their living standards, the Chinese people eagerly desire a lasting peaceful international environment. Like other peoples of the world, we are deeply concerned about the maintenance of international peace and security."

"However," he pointed out, "we cannot but face the harsh realities. The present-day world is far from tranquil and is beset with tensions and turmoils. The fierce arms race between the superpowers and their wrangling over the question of deployment of medium-range nuclear weapons have kept Europe in a state of tense confrontation."

He said the hegemonists' aggression against and rivalry in the Third World countries have given rise to frequent wars and emergencies in Asia, Africa and Latin America. Certain developed countries are shifting the consequences of their economic crises onto others, plunging many developing countries into great economic difficulties. "All this has caused disasters in many countries and posed serious threat to world peace," he said.

He said, "China is ready to work together with other countries for the defense of world peace, in the interest of smooth progress in its modernization program and of its national security and in the fundamental interests of the people of the world. We will steadfastly pursue an independent foreign policy."

He reaffirmed, "we are opposed to all acts of hegemonism. We are striving to maintain and develop normal relations with all countries on the basis of the five principles of peaceful coexistence and will persist in a long-term policy of opening to the outside world on the basis of self-reliance. We attach special importance to strengthening our unity and cooperation with the other Third World countries. We support the non-aligned movement which is playing an increasingly important role in maintaining world peace. With unflagging interest we have done our best to develop good-neighborly and friendly relations with our neighboring countries. We are steadily promoting our good relations with the developed countries in Western Europe, North America and Oceania. We are striving to improve and strengthen our relations with the East European countries."

On Sino-U.S. and Sino-Soviet relations, Wu said, "as for the United States and the Soviet Union, we also hope that the obstacles in our relations with them can be removed and normal relations maintained and developed in accordance with the five principles of peaceful coexistence. We believe this will not only benefit the people of various countries but is also in the interest of world peace."

Talking about the five principles of peaceful coexistence put forward by the late Premier Zhou Enlai of China for the first time during the Sino-Indian talks in December 1953, Wu said the principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence give expression to the common desire of the people of the world to defend their national independence and sovereignty and promote world peace. They are in full accord with the purposes of the United Nations charter.

Wu said that over the past 30 years, these five principles have been accepted by the international community as basic norms guiding the relations between states and have played an important role in maintaining international peace and security.

Citing as examples the Afghan and Kampuchean issues and turmoils in Lebanon, Chad and Central America, he said, "regrettably, however, peaceful coexistence among states and particularly the independence and security of the Third World countries have constantly been subjected to grave threat and violation by imperialism, hegemonism and colonialism."

He said, "people of all countries have come to realize more and more clearly that world peace can be effectively maintained only by resolutely opposing hegemonism." "The numerous Third World countries and the people of the world have strengthened their united struggle against expansion, aggression and power politics, so that the superpowers have met with ever stronger opposition and constraints in pursuing their hegemonist policies," he noted, adding: "We are confident that it is possible to maintain world peace so long as the people of the world get truly united and wage a resolute struggle against all manifestations of hegemonism."

Wu said, "as a founding member, China has always attached importance to the role of the United Nations. We have noted that thanks to the joint efforts of member states and particularly those of the Third World, the United Nations has in recent years played a positive role in the maintenance of international peace and security, in decolonization and the promotion of economic development."

"However," he said, "we cannot but point out that many of the correct resolutions adopted by the United Nations have not been implemented. As a result, it becomes rather flabby in the settlement of many important issues."

He said, "the permanent members of the Security Council have a special responsibility to remedy this regrettable state of affairs. We appreciate the suggestion made by the secretary-general in his annual report for the strengthening of the role of the United Nations. We support the views put forward by the non-aligned summit regarding the democratization of international relations."

"Together with other countries, we will strive to enable the United Nations to play a more positive and useful role in realizing the purposes and principles of its charter," he said.

In his speech, the Chinese foreign minister also extended warm congratulation of the Chinese delegation to the Federation of St Christopher and Nevis on the independence of the new nation and expressed welcome to its entry into the United Nations.

## Proposes Nuclear Arms Reduction

OW272255 Beijing XINHUA in English 2223 GM 27 Sep 83

[Text] United Nations, September 27 (XINHUA) -- Chinese Foreign Minister Wu Xueqian proposed here today that after the Soviet Union and the United States have agreed on reducing by half their nuclear weapons and means of delivery of all types, an international conference should be convened with the participation of all nuclear-weapon states to negotiate the general reduction of nuclear weapons by all nuclear-weapon states.

The chairman of the Chinese delegation made the proposal in his speech at the current plenary meeting of the 38th session of the United Nations General Assembly.

He said, "at the second special session of U.N. General Assembly devoted to disarmament China put forward a proposal on the question of the nuclear weapon states' ceasing to develop and reducing nuclear weapons, calling on the two superpowers to take the lead in adopting practical measures to cut their nuclear weapons and means of delivery by a wide margin. With a view to promoting progress in disarmament, we are prepared to make a further effort by proposing that, after the Soviet Union and the United States have taken practical action to stop testing, improving and manufacturing nuclear weapons and agreed on reducing by half their nuclear weapons and means of delivery of all types, a widely-representative international conference should be convened with the participation of all nuclear-weapon states to negotiate the general reduction of nuclear weapons by all nuclear-weapon states. We hope that this proposal will receive a positive response."

"All the peace-loving countries and people ardently wish to see disarmament realized and they have expressed this wish in various ways. The massive peace movement that has emerged in some countries in recent years reflects in its main trend the strong aspirations for peace of the people who suffered the havoc of two world wars and are now faced with the increasing threat of a nuclear war. Their aspirations are completely understandable and deserve sympathy."

The Chinese foreign minister in his speech pointed out the fact that the superpowers have been taking advantage of the arms reduction talks to hoodwink world opinion. He said, "historical experience shows that a genuine desire for disarmament is essential to real progress in disarmament." Since the partial test ban treaty was signed in 1963, he added, the two superpowers have held many disarmament talks and reached some agreements. But "their armaments, especially nuclear armaments, have increased in quantity and improved in quality despite all the talks for reduction."

He pointed out that the two superpowers' annual military expenditures amount to more than half of the world's total. More than 95 percent of the world's nuclear weapons are in the hands of the two superpowers which admit that they have long possessed the so-called "overkill" capabilities, and it is always the people of the world who are to suffer once these capabilities are put to use. The arms race between the superpowers has extended from the land, sea and air to the outer space. "And the reality is that for all the disarmament talks, the arms race is intensifying with each superpower trying to gain the upper hand over the other."

Wu said, "one cannot but question their sincerity for disarmament. Will they give up their nuclear threats and nuclear blackmail to let others live in peace for a while? Without good faith, their words and proposals, however nice-sounding and numerous, would in essence only serve to cover up their continued efforts to expand their nuclear arsenals and hoodwink world opinion."

He stressed that "as matters now stand, it is only natural that people should ask the two nuclear superpowers which possess the largest arsenals to be first to reduce their arms, drastically cut their nuclear and conventional armaments and destroy the reduced armaments before there can be any reduction of arms by other countries."

The Chinese foreign minister reaffirmed that "China desires peace and favours disarmament. We are for genuine disarmament and against sham disarmament, that is, arms expansion under the camouflage of disarmament talks."

He recalled the Chinese Government has, together with other Third World countries, made unremitting efforts to promote real progress in disarmament:

-- China has always stood for the complete prohibition and thorough destruction of nuclear weapons;

-- China declared explicitly in 1964 on the occasion of the successful test of its first atomic bomb that China was developing nuclear weapons for defence purposes and that at no time and in no circumstances would China be the first to use nuclear weapons;

-- China was the first country to propose that nuclear-weapon states should undertake not to use nuclear weapons against each other, and the first country to undertake the commitment not to use nuclear weapons against non-nuclear-weapon states or nuclear-free zones;

-- China respects and supports the proposals of non-nuclear-weapon countries for the establishment of nuclear-free zones or zones of peace;

-- China is in favour of reducing conventional armaments as well as nuclear arms;

-- China stands for the early conclusion of a convention on the complete prohibition and thorough destruction of chemical weapons."

#### Comments on Economic Development

OW280041 Beijing XINHUA in English 0015 GMT 28 Sep 83

[Text] United Nations, September 27 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said here today China maintains that the long-term objective of establishing a new international economic order should be linked with the solution of the immediate urgent problems.

He reaffirmed China's support for the proposals put forward by the group of 77 (developing countries) for reforms in international economic relations. "South-South cooperation," he said, "is international economic relations of a new type."

In his address at the plenary meeting of the 38th session of the United Nations General Assembly, Wu, chairman of the Chinese delegation, said, "the question of development is one of the most important issues of our time. It has a direct bearing not only on the effort of the developing countries to safeguard their national independence and develop their national economy but also on the world economy as a whole and international peace and security."

He said, "many countries in Asia and Latin America have now entered a new historical period of bolstering their political independence with economic independence. Although they have achieved some gratifying results in their economic development, they have also come across serious difficulties. In particular, under the impact of the worldwide economic crisis, some developed countries have tried to get rid of their own troubles by shifting the consequences of the crisis onto others. This has done havoc among the developing countries, and many of them are faced with economic situation grimmer than ever since their independence."

He said, "all countries are closely linked in their economies, and the economy of the developing countries constitutes an important part of world economy. If their economic difficulties are not resolved or are even aggravated, the entire world economy is bound to suffer. In trying to harm others these developed countries will end by harming themselves and will find it difficult to achieve a steady recovery and growth in their own economies."

He said, "last April, it was pointed out at the ministerial meeting of the group of 77 held in Buenos Aires that the crisis confronting the world economy today is structural as well as periodic. It called on the international community to make the maximum effort to seek a global settlement and work out a set of mutually complementary and coordinated policies and measures on a short-term as well as long-term basis. The Chinese Government supports the series of concrete proposals put forward by the group of 77 for this purpose. It has become an increasingly urgent task to take emergency measures in the fields that are vital to the developing countries and carry out the necessary reforms in international economic relations."

The Chinese foreign minister reaffirmed, "we always maintain that the long-term objective of establishing the new international economic order should be linked with the solution of the immediate urgent problems.

"In order to promote North-South dialogue and break the present deadlock, it was proposed at the seventh non-aligned summit conference that global negotiations be carried out in phases and that some problems in specific fields be chosen as the basic content of the first-phase negotiations. This proposal is quite reasonable, but it has not been accepted by the major developed countries."

He pointed out, "the just proposal of the group of 77 also failed to win positive response from the developed countries at the sixth U.N. conference on trade and development held not long ago. We hope that the major developed countries, and the United States in particular, will change their rigid position in response to the wishes of the developing countries and display sagacity and goodwill in promoting North-South negotiations and improving North-South relations."

Stressing the importance of South-South cooperation, he said: "While North-South dialogue is at a stalemate, South-South cooperation is making steady progress. South-South cooperation is international economic relations of a new type. A sure way to economic prosperity and greater economic strength for the developing countries is to expand South-South cooperation, embark on collective self-reliance, build up independent national economies and reduce dependence on developed countries.

"The strengthening of South-South cooperation of course does not replace North-South dialogue, nor does it mean to lighten the commitments of the developed countries towards the developing countries. But it can serve as a stimulus to North-South dialogue.

"China, being a developing socialist country and a member of the Third World, has had similar historical experience as other Third World countries, and is faced with a similar task. For the purpose of developing China's economic relations with foreign countries and strengthening South-South cooperation, Premier Zhao Ziyang, in his recent visit to Africa, put forward four principles, namely, 'equality and mutual benefit, stress on practical results, diversity in form, and attainment of common progress'. We are prepared, in accordance with these principles, to explore with other developing countries ways for active cooperation," he said.

Discusses Kampuchea, Other Issues

OW272351 Beijing XINHUA in English 2317 GMT 27 Sep 83

[Text] United Nations, September 27 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said here today that the key to solving the Kampuchean problem lies in Vietnam's implementation of the resolutions of the U.N. General Assembly and in an unconditional withdrawal of all Vietnamese troops from Kampuchea.

Wu, chairman of the Chinese delegation spoke on the issues of Kampuchea, Afghanistan and the Korean peninsula at the plenary meeting of the 38th session of the United Nations General Assembly.

On the issue of Kampuchea, Wu said: "The Kampuchean issue is, in essence, one of undisguised armed aggression against, and military occupation of Kampuchea by the Vietnamese authorities, with the support of a superpower, in gross violation of Kampuchea's independence and sovereignty. Vietnam's invasion and occupation of Kampuchea is now more than four years old. It has not only brought untold sufferings to the Kampuchean people but also posed a grave threat to peace and stability in Southeast Asia. Vietnam has so far refused to withdraw its troops, thus blocking a settlement of the Kampuchean issue which is long overdue."

Wu denounced Vietnam's attempts to describe the Kampuchean question as "an issue between China and Vietnam." He said, "in an attempt to extricate itself from its predicament, Vietnam has made all kinds of excuses and even described the Kampuchean question as 'an issue between China and Vietnam'. This is sheer sophistry and slander." he pointed out, "the General Assembly has at four successive sessions adopted resolutions by an overwhelming majority and the international conference on Kampuchea issued a declaration, all calling for the total withdrawal of the Vietnamese troops from Kampuchea so that the Kampuchean people may decide their own destiny free from outside interference. How can the Kampuchean issue be described as one involving differences only between China and Vietnam? Taking about differences, they could be accurately stated as those between the Vietnamese authorities who crudely trample upon the United Nations charter and the international community which firmly upholds it."

He said, "a number of countries have tried more than once to break the deadlock on the Kampuchean question and bring about a political settlement. On March 1 this year the Chinese Government put forward its proposal for resolving the Kampuchean question and improving Sino-Vietnamese relations. Like the ASEAN countries and all other peace-loving and justice-upholding countries, China hopes that after the Vietnamese withdrawal, Kampuchea will become an independent, peaceful, neutral and non-aligned country and that free elections will be held under U.N. supervision for the Kampuchean people themselves to choose their political system and government leaders. We are prepared to join the other countries concerned in an international guarantee. We also hope that the Southeast Asian countries will achieve peace and stability in the region on the basis of mutual respect for sovereignty and territorial integrity and non-interference in each other's internal affairs".

He said, "we are willing to develop friendly and good-neighborly relations with all countries in the Southeast Asian region, including Vietnam. The heart of the matter is that Vietnam must implement the resolutions of the U.N. General Assembly and the declaration of the international conference on Kampuchea, undertake to withdraw unconditionally all its troops from Kampuchea and act accordingly. This is the prerequisite for a political settlement of the Kampuchea issue."

On the question of Afghanistan, Wu said, "Soviet armed aggression against Afghanistan constitutes a gross violation of Afghanistan's independence and sovereignty, which has turned millions of Afghan people into refugees. This is something rare in the modern history of international relations."

He said, "the international community has strongly called for an immediate, unconditional and total withdrawal of foreign troops from Afghanistan and full respect for the independence, sovereignty, territorial integrity and non-aligned status of Afghanistan. The Chinese Government firmly supports this just demand."

He restated, "We are in favor of a political settlement of the Afghanistan question, and efforts have been made in many ways by some countries to promote indirect talks through the good offices of the United Nations. However, any political solution must accord with the relevant U.N. resolutions, especially the crucial principle of immediate and unconditional withdrawal of all foreign troops."

He said the formulation of "guarantee before withdrawal" is "obviously putting the cart before the horse, and its purpose is none other than legalizing military interference and occupation and putting off withdrawal."

He said, "We consider that an international guarantee is necessary, and China is prepared to join the other countries concerned in such a guarantee, but this can happen only after, and not before, the withdrawal of all foreign troops from Afghanistan and the restoration of Afghanistan's independence and sovereignty."

He pointed out, "at present, a genuine political settlement depends on whether the Soviet Union will publicly undertake to withdraw its troops and set a timetable for the withdrawal. Failing this, no effort for a political settlement will achieve real progress."

The Chinese foreign minister said, "the situation on the Korean peninsula also arouses concern. The division of Korea into the north and the south has already lasted for more than 30 years. This not only runs counter to the aspiration of the entire Korean people, but also prevents easing of the tension in this region." He said, "the Chinese Government and people wholeheartedly support President Kim Il-song's reasonable proposal for the independent and peaceful reunification of Korea and the establishment of a Democratic Confederal Republic of Koryo. The United States should stop interfering in Korea's internal affairs and withdraw forthwith all its troops from South Korea in accordance with the relevant resolution adopted at the 30th session of the U.N. General Assembly, so that the Korean question may be settled by the Korean people themselves free from interference by outside forces."

#### Discusses Middle East, Africa

OW280011 Beijing XINHUA in English 2340 GMT 27 Sep 83

[Text] United Nations, September 27 (XINHUA) -- Chinese Foreign Minister Wu Xueqian pointed out here today that Israel must withdraw from Lebanon and all the Arab territories it has occupied and that Chad's internal affairs be settled by the Chadian people themselves.

Wu, chairman of the Chinese delegation told the plenary meeting of the 38th U.N. General Assembly session, "the situation in the Middle East has been tense and turbulent for years. The crux of the matter is that the Israeli authorities are carrying out wanton aggression and expansion against Arab countries and trampling upon the national rights of the Palestinian people and that their arrogance is inflated by U.S. partiality."

He said, "on the eve of the commencement of the U.N. General Assembly session last year, Israeli aggressor troops massacred innocent Lebanese and Palestinian civilians in cold blood; when the current General Assembly is meeting here, Lebanon is confronted with the danger of being divided. To justify its aggression and expansion, Israel has kept harping on the need to guarantee its 'security and survival'. But the present reality is that Israel not only arbitrarily frustrates the restoration of the Palestinian people's national rights, but also wilfully threatens the security of Arab countries."

The Chinese foreign minister pointed out, "the key to safeguarding peace in the Middle East is to stop Israeli aggression. Israel must withdraw from Lebanon and all the Arab territories it has occupied, and the Palestinian people must regain their national rights."

He said, "unity of the Arab countries is the fundamental guarantee for success in checking Israeli aggression and expansion and for the settlement of the Middle East question."

He expressed the hope that the Arab countries and all the Palestinian groups would seek common ground on major issues while shelving minor differences and strengthen their unity in the joint struggle against the enemy. He reaffirmed that "the Chinese Government and people will as always firmly stand by the Arab people and support their just struggle."

Referring to the African problems, the Chinese foreign minister pointed out, "the South African authorities have persisted in their racist policies, continued their illegal occupation of Namibia and carried out repeated armed incursions and military provocations against neighboring countries. Here lies the root cause of the turbulent situation in southern Africa."

He said, "peace and tranquility in this region require resolute sanctions against the racist South African authorities and achievement of Namibian independence in compliance with the relevant resolutions of the U.N. Security Council."

He described it as totally unjustified to attempt to link up Namibian independence with the withdrawal of Cuban troops from Angola, which, he said, are two issues of different nature.

He continued, "the people of Namibia strongly demand independence at an early date. They have carried out a prolonged struggle under the leadership of the Southwest Africa People's Organization. No force on earth can block the independence and liberation of Namibia."

On the Chadian issue, the Chinese foreign minister said, "the conflict in Chad is becoming more and more complicated owing to the meddling of external forces. The majority of African countries are in favor of seeking a settlement through the organization of African unity. They want to eliminate intervention by external forces and call for a settlement of the internal dispute in Chad through negotiations. The Chinese Government supports this justified position."

He said, "we are of the opinion that the independence, sovereignty and territorial integrity of Chad should be respected, its internal affairs should be settled by the Chadian people themselves, and all foreign intervention must cease forthwith."

## Touches on Latin American Problems

OW280017 Beijing XINHUA in English 2352 GMT 27 Sep 83

[Text] United Nations, September 27 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said here today that the problems of the Central American countries should be solved by the people of the respective countries and no external forces should be allowed to intervene.

Wu Xueqian, chairman of the Chinese delegation, told the plenary meeting of the 38th U.N. General Assembly session, "the tension in Central America has further escalated in the past few months. It is impermissible to attempt either to use military bluff to restrict the struggle of the people in Central America for democracy and social reform or to carry out infiltration by exploiting the national and democratic movements there."

He said, "disputes between Central American states should be settled peacefully on the basis of mutual respect for sovereignty and non-interference in the internal affairs of other countries; and that no external forces should be allowed to intervene."

He said that "the Chinese Government supports the Contadora Group and the Latin American countries in their position against the superpowers' attempt to involve Central America in their rivalry and confrontation, and we support them in their endeavor to uphold the right of the Central American peoples to self-determination and ease the tension in Central America."

Referring to the problem of the Malvinas Islands, Wu said, "we maintain that Argentina's claim of sovereignty over the Malvinas Islands must be respected by the international community and that the relevant resolution adopted by the 37th session of the U.N. General Assembly must be implemented."

## Wu Meets Kampuchea's Son Sann

OW270813 Beijing XINHUA in English 0724 GMT 27 Sep 83

[Text] United Nations, September 26 (XINHUA) -- Wu Xueqian, state councillor and foreign minister of China, met here this evening with Son Sann, prime minister of the Coalition Government of Democratic Kampuchea. They exchanged views on the Kampuchean problem. Earlier today, Wu had a talk here with minister for foreign affairs of the Kingdom of Bhutan, Dawa Tsiring, on the development of relations between the two countries.

## Meets UK Foreign Secretary

OW271850 Beijing XINHUA in English 1836 GMT 27 Sep 83

[Text] United Nations, September 27 (XINHUA) -- Chinese Foreign Minister Wu Xueqian and his British counterpart Sir Geoffrey Howe had a frank exchange of views today on problems of common concern, including the Hong Kong issue. The more than one hour talks were held at the Chinese lounge in the United Nations headquarters.

## Talks with Hungarian Foreign Minister

OW272012 Beijing XINHUA in English 2005 GMT 27 Sep 83

[Text] United Nations, September 27 (XINHUA) -- Chinese Foreign Minister Wu Xueqian, met and had a friendly talk here this morning with Peter Varkonyi, minister for foreign affairs of Hungary, on the international issues and the bilateral relations for co-operation. The two foreign ministers expressed great pleasure over the first meeting and cordial conversations between them.

IMF COMMITTEE LOWERS BORROWING LIMITS

## PRC Stresses Third World Needs

OW271035 Beijing XINHUA in English 0800 GMT 27 Sep 83

[Text] Washington, September 26 (XINHUA) -- Borrowing limits with the International Monetary Fund were substantially lowered this morning at an IMF interim committee meeting at the insistence of industrialized countries, in what [as received] is in disfavor of the developing countries in particular.

Under a compromise agreement reached at the committee, IMF's top policy-making body, an IMF member state can draw 102 or 125 percent of their quotas in the IMF each year, or 306 or 375 percent over the next three years, depending on the seriousness of their economic problems and the strength of the adjustment programs adopted to solve their problems.

Previously, an IMF member was entitled to borrow hard currency equal to 100 percent of its own quota or deposits of its own currency in the IMF. As the debts of poorer countries increased, the borrowing limit was boosted to 150 percent of quotas per year for the last three years. The maximum loan reached as much as 450 percent.

During the 15-hour discussion leading to the compromise, it was reported that U.S. Treasury Secretary Donald Regan stood tough for sharply decreasing the borrowings of members to 102 percent in 1984, with further annual reductions in three following years. The American proposal was strongly opposed by the developing countries which demanded that their access to the IMF loans be kept at the present level. Other industrial nations favored a more modest reduction.

Lu Peijian, president of the People's Bank of China and IMF governor for China, reiterated at the meeting that in view of the needs of the developing countries in the coming years, the level of their access to the IMF resources should not be sharply cut. He suggested that the borrowing limit of the IMF members be set between 110 percent and 125 percent of their quotas. The Chinese proposal was favored by developing countries including India, Zimbabwe, Algeria and Brazil.

The compromise agreement reached at last eased the atmosphere for the formal opening tomorrow of the IMF annual meeting together with the World Bank. Some members of the committee, however, maintained that they did not agree with all the conclusions on the access limits.

## Wang Bingqian Urges Expanded Funding

OW280853 Beijing XINHUA in English 0832 GMT 28 Sep 83

[Text] Washington, September 27 (XINHUA) -- Wang Bingqian, Chinese state councillor and finance minister and governor of the World Bank for China, today called on the International Monetary Fund and the World Bank to expand their fund resources so as to meet the growing demand of the developing countries.

"If one ignores the developing countries' urgent need for economic growth and fails to actively help them overcome their economic difficulties, it will be difficult for the developed countries to achieve real economic recovery," Wang said in his address to the four-day 38th annual meeting of the two organizations, which began here today.

Rejecting the argument that the economic recovery of the industrial powers will automatically bring about the economic revitalization of the developing countries as "hardly credible," Wang urged the developed countries to adopt "a wise and far-sighted policy to promote the economic growth of the developing countries in the commodity, trade, financial and monetary fields."

He said China is not in favor of the proposal that further limitations be imposed on access to fund resources. Like many other countries, China also realizes the urgency of the immediate reallocation of special drawing rights.

He said China supports the "selective capital increase" proposed by the management of the World Bank, hoping that it will be considered in conjunction with the future general capital increase and that the amount will be large enough to meet the needs of the World Bank's lending program in the second half of the 1980s.

Wang pointed out that shortage of funds remains a salient problem for China's economic modernization program. He explained that the nation's present surplus in balance of payments and increase in foreign exchange reserve are a temporary phenomenon mainly due to "our failure to fulfill the planned target of import."

He noted that China will continue to implement the policy of opening to the outside world and further strengthen its cooperation with other countries and international financial in situations.

#### U.S., USSR TRADE CHARGES ON EUROMISSILES

OW251211 Beijing XINHUA in English 1157 GMT 25 Sep 83

[Text] Beijing, September 25 (XINHUA) -- U.S. President Ronald Reagan yesterday accused the Soviet Union of "inflexibility" in the U.S.-Soviet nuclear disarmament talks in Geneva, according to reports from Washington.

In a message transmitted around the world in more than 40 languages, Reagan said that the United States had made several proposals for a verifiable arms reduction treaty, but all had been rejected by the Soviet Union. "The inflexibility of the Soviet Government on arms control is holding back successful negotiations," he said.

Reagan's statement was the latest in a stream of bitter charges exchanged between U.S. and Soviet leaders in recent weeks, blaming each other for the lack of progress at the 22-month-long Geneva Euromissile talks. The propaganda campaign intensified in the past few days as the time approaches when Reagan will make a speech at the U.N. General Assembly tomorrow in which he will put forward a new proposal on the Euromissile issue.

In a letter to the Geneva-based Lutheran World Federation published the day before yesterday, Soviet leader Yuriy Andropov accused the United States of "persisting in its stiff and obviously unrealistic demands for unilateral U.S.S.R. disarmament," while, he said, the Soviet Union "has been doing everything in its power to break the deadlock." "But any flexibility has its limits," he said.

In the same vein, chairman of the Soviet Council of Ministers Nikolay Tikhonov said in an interview with the Austrian newspaper ARBEITER ZEITUNG yesterday that there is still time for the Soviet Union and the United States to reach an agreement. "If this favorable opportunity is missed, the Soviet Union will be faced with the need to take without delay counter-measures in order to preserve the balance of forces," he warned.

It is expected that the struggle will continue unabated as NATO has pledged to begin deployment of new American cruise and Pershing II missiles in Europe at the end of this year if the Geneva talks fail to reach an agreement.

U.S., USSR CONTEND FOR DOWNED AIRLINER'S 'BLACK BOX'

OW252214 Beijing XINHUA Domestic Service in Chinese 0235 GMT 24 Sep 83

[Comprehensive report by Luo Weilong: "Contention for the 'Black Box'" -- exclusively for HEILONGJIANG RIBAO]

[Text] Tokyo, 24 Sep (XINHUA) -- Three weeks have passed since the downing of a South Korean passenger airliner by the Soviet Union for intruding into Soviet airspace. But why did that airliner "stray" off course and intrude into Soviet airspace and why did the Soviet Union shoot it down? Newspapers here have been doubtful and suspicious about these questions, which still remain unanswered. The contention centered on this incident between the Soviet Union and the **United States** has caught people's special attention.

Japanese public opinion generally agrees that the key to solving this riddle lies in recovering the "black box" installed in the tail of the downed South Korean airliner, a device that can reveal detailed information about the flight. It has been reported that this "black box" is 50 mm long, 10 mm wide, and 20 mm high and is made of a special alloy. Two instruments are inside: the flight recorder that has a 50-hour recording of the plane's flying altitude, speed, location, vertical acceleration, and other data; and the cockpit sound recorder that records the conversations among the plane captain, co-pilot, and engineers as well as conversations between them and ground control stations and broadcasts inside the airliner. With their external casings made of a special alloy, these devices can withstand temperatures of up to 1,000 degrees Centigrade for about 30 minutes and cannot be destroyed even when submerged in salt water. Beeps from the "black box" can be detected within a radius of 1.85 to 3.7 km up to 30 days after the plane has crashed. The Japanese Transportation Ministry's Aviation Bureau said that beeps from the box can go as far as 6,000 meters.

If recovered, this "black box" will be important evidence for a conclusion of why the South Korean airliner "strayed" off course; replaying the plane's flight records will tell the true story of the shootdown by the Soviet Union. This is why a fierce contention in the search for the "black box" has been going on between the Soviet Union and the United States off Sakhalin Island.

It was estimated that the South Korean passenger airliner crashed into international waters north of the tiny island of Moneron. According to Japan's Maritime Safety Agency, the water in that area is about 200 to 250 meters deep, about 700 to 800 meters at the deepest point. Japanese newspapers reported on 23 September that as many as 27 Soviet ships were operating in that area, including a 16,000-ton oil drilling ship, a 12,000-ton rescue ship, an 8,200-ton guided missile cruiser, and some minisubmarines. To counter the Soviet move, U.S. guided missile cruisers, frigates, rescue ships, and reconnaissance boats were also cruising in the area. The situation there was extremely tense when U.S. P-30 antisubmarine planes and Soviet MIG jet fighters circled over the general area.

U.S. Naval Headquarters in Japan announced yesterday that a fleet of seven American ships, including a guided missile cruiser, were conducting large-scale search operations in waters off Moneron Island. Reconnaissance ships from Japan's Maritime Safety Agency and frigates from the Japanese Maritime Self-Defense Force were also sailing into the area to "watch" the situation. "Covering up their real intentions," the Soviet Union and the United States are now locked in a "cat and mouse" contention at the sea in the northern part of the western Pacific in order to get "the trump card" which can solve the riddle of that sudden incident.

The constant release of information by the Soviet and the U.S. sides has increased the complex nature of this contention. Soviet authorities have announced that there are important strategic bases on the Kamchatka peninsula. They denounced the South Korean passenger plane for being equipped with "special electronic reconnaissance gear" and for collecting military intelligence of Soviet Air Defense and Ground Forces in coordination with U.S. spy satellites and reconnaissance planes and ships. The United States had denied this charge and said that U.S. ships have picked up beeps from the downed South Korean passenger airliner's "black box."

Leaders of the Japanese Ministry of Foreign Affairs said on the evening of 22 September that a U.S. special force detail had left Hawaii for the KAL airliner crash site in order to recover its "black box." They added that the United States was "fully confident" regarding this matter. South Korean authorities said on the same day that the U.S. Government had notified them of the "imminent" recovery of the "black box."

Japanese media have pointed out that the Soviet Union has dispatched a force several times larger than the U.S. force to search the "black box" and that this Soviet move was unusual. TOKYO SHIMBUN quoted a Japanese military affairs commentator as saying that "as soon as the United States has obtained decisive evidence of the downing of that passenger airliner, the Soviet Union will be placed in a more unfavorable position." For this reason, the Soviet Union is desperately searching for evidence of the South Korean plane's "spying" activities. The remaining life of the "black box" is only about 10 days. The contention for it between the Soviet Union and the United States is gaining momentum. People are waiting for the outcome, which is unpredictable.

#### INTERNATIONAL OLYMPIC COMMITTEE PRESIDENT VISITS PRC

##### Li Xiannian Meets IOC President

LD240123 Beijing XINHUA in English 1622 GMT 23 Sep 83  
["P.R.C. President Favors Sports Exchange" -- XINHUA headline]

[Text] Beijing, September 23 (XINHUA) -- Li Xiannian, president of the People's Republic of China, said here this evening he favors sports exchange as a promoter of friendship among peoples and as a bridge between them. He said this at a meeting with Juan Antonio Samaranch, president of the International Olympic Committee [IOC], who flew in this evening after a visit to the Democratic People's Republic of Korea. Earlier he had watched China's fifth national games in Shanghai.

Li Xiannian thanked Samaranch for his role in restoring China's legitimate seat in the I.O.C. Samaranch said he was glad at the success of the on-going fifth games in both organizational work and competition and extended congratulations on the world-record performance by high jumper Zhu Jianhuai. He said that there would be a great possibility for China to host the 1990 Asian Games, for which China has already applied.

Li Xiannian said that Zhu's success was an inspiration, but China should continue its exertion. After the meeting Samaranch attended a banquet given for him by Li Menghua, minister in charge of the State Physical Culture and Sports Commission. Samaranch is scheduled to leave China tomorrow.

##### PRC Accepts IOC Patronage

OW251220 Beijing XINHUA in English 1134 GMT 25 Sep 83

[Text] Shanghai, September 25 (XINHUA) -- China has decided to accept the patronage of the International Olympic Committee [IOC] in running sports art and mass marathon competitions. The decision was made today at a Standing Committee session of the All-China Sports Federation [ACSF] presided over by its President Zhong Shitong.

SECRETARY OF DEFENSE WEINBERGER CONTINUES PRC VISIT

Meets Premier Zhao Ziyang

HK280826 Beijing RENMIN RIBAO in Chinese 28 Sep 83 p 1

[XINHUA report: "Zhao Ziyang Holds Talks With Weinberger, Welcomes Improvement of Sino-U.S. Relations, and Reaffirms China's Principled Stand on the Taiwan Issue"]

[Text] Chinese Premier Zhao Ziyang said today that Sino-American relations have improved in recent months and this deserves to be welcomed. Zhao Ziyang made the remark at a meeting with U.S. Secretary of Defense Caspar Weinberger here yesterday afternoon.

Zhao Ziyang said China attaches great importance to developing relations with the U.S. and has made great efforts toward this aim.

He reiterated the Chinese Government's principled stand on the Taiwan issue, saying that it is the main obstacle in the way to further developing Sino-American relations.

He said he hopes that the U.S. Government will respect China's sovereignty and the Chinese people's national sentiment and conscientiously implement the principles of the joint China-U.S. communique issued on 17 August last year, so that Sino-American relations will develop soundly.

Referring to Sino-American technical cooperation, Zhao Ziyang said the Chinese Government has always approached this question from the angle of whether the two countries can establish relations of mutual trust.

Zhao Ziyang said the U.S. Government's decision to liberalize restrictions on technology transfer to China not long ago will undoubtedly be beneficial to the development of Sino-American relations. "Of course, we recognize that many obstacles have to be overcome and a lot of work has to be done in order to turn the principles into actions. We hope that the U.S. side will continue to work to remove the obstacles."

Zhao Ziyang asked Weinberger to convey his sincere greetings to President Reagan. He said he was looking forward to meeting with President Reagan in the near future.

Weinberger said President Reagan is willing to implement the principles of the U.S.-China joint communique of 17 August 1982.

The President considers that an economically and militarily strong China is important for maintaining world peace, Weinberger said.

The secretary of defense said his talks with Chinese leaders the past 2 days have been good. He expressed the belief that the talks benefit the development of Sino-American relations.

The meeting was held in Zhongnanhai. Attending the meeting were Xu Xin, deputy chief of General Staff of the Chinese People's Liberation Army; Wu Shaozu, vice minister of the Commission of Science, Technology and Industry for National Defense; Zhu Qizhen, assistant foreign minister; and Arthur W. Hummel, Jr., U.S. ambassador to China.

Weinberger and his party visited an army unit of Beijing Garrison this morning.

Weinberger gave a return banquet this evening. Zhang Aiping, minister of national defense, attended on invitation.

## Toasts Zhang Aiping at Banquet

LD271550 Beijing XINHUA in English 1405 GMT 27 Sep 83

[Text] Beijing, September 27 (XINHUA) -- The defense chiefs of the U.S. and China today agreed that their talks are useful.

In his toast at the banquet given for the Chinese Defense Minister Zhang Aiping, U.S. Secretary of Defense Caspar Weinberger said: "My meetings and discussions with you have been useful and positive."

Speaking of the meeting with Premier Zhao Ziyang this afternoon, Weinberger said: "We had a very friendly discussion and agreed that visits between leaders of our two countries are contributing to improving our relations."

He said his visit and the meetings he had with Chinese leaders "can be described as having been friendly, frank and the most importantly productive."

"We look forward to continuing this sort of dialogue with you in the future, and to continuing and expanding our cooperation in all areas," he said.

Minister Zhang Aiping said in his toast: "Secretary of Defense Weinberger and I have discussed issues of common concern in a friendly, cordial and candid atmosphere. This kind of talks are a good beginning for the expansion of friendly relations and cooperation of our two countries, or in other words have laid a preliminary foundation for future development."

He said: "I hope that we will have more of such friendly discussions so that our friendship and cooperation grow stronger continuously. Continuing expansion of this friendship and cooperation is not only in the interests of the two countries but is also conducive to world peace and stability."

## Zhao Talks With U.S. Correspondents

HK280824 Beijing RENMIN RIBAO in Chinese 28 Sep 83 p 1

[XINHUA report: "Zhao Ziyang Discusses Sino-U.S. Relations With American Correspondents, Hoping to Exchange Visits With Reagan Next Spring"]

[Text] Premier Zhao Ziyang said here today he and President Ronald Reagan would be able to exchange visits next spring.

He said this at a meeting held on the platform of the Ziguang Pavilion in Zhongnanhai with American correspondents covering U.S. Secretary of Defense Caspar Weinberger's visit to China. Premier Zhao said he had accepted an invitation extended by the U.S. Government to visit the United States and President Reagan had said time and again that he was willing to visit China. "It is my hope the exchange of visits will materialize next spring," the premier said.

But he added that the specific dates would have to be set through further consultations. "This is one of the subjects I am going to discuss with Secretary Weinberger," he said.

Answering a question about Sino-American relations, the Chinese premier said the signs of improvement in recent months are welcome. "You all know, naturally, the main obstacle in the development of Sino-American relations is the Taiwan issue," Zhao said. "These relations will be able to grow healthily only when this obstacle is removed."

Asked if China was willing to buy weapons from the United States, he said: "If the United States is willing to sell weapons to us, and if we need them and can afford them, I wouldn't rule out the possibility of buying some weapons."

"We mainly rely on our efforts in modernization of our national defence," the premier added.

"It is simply impossible for such a large country as ours to achieve the modernization of national defence by buying weapons," he said.

On the issue of U.S. arms sales to Taiwan, Premier Zhao said the joint China-U.S. communique of 17 August 1982 provides that the United States should reduce step by step and eventually terminate its arms sales to Taiwan. "We hope that the United States will really abide by the principles as outlined in the communique and reduce and eventually terminate its arms sales to Taiwan," he said.

"How China and the United States should strictly observe the various principles of the communique is also one of the questions I am going to discuss with Secretary Weinberger," Zhao said.

In reply to a question about strategic cooperation between China and the United States, Premier Zhao said: "You all know that China follows an independent foreign policy. We do not attach ourselves to any big power or a bloc of powers. In handling international issues, China takes its stance independently on the merit of the right or wrong of each and every case."

Asked about the efforts made by both sides in improving Sino-American relations, Premier Zhao said China always regarded the issue of technology transfer not just as a simple technical question, but as an issue of whether or not mutual trust could be established between the two countries.

"We welcome the guidelines adopted by the U.S. Government recently for liberalizing restrictions on the technology transfer to China," he said, "but the guidelines are yet to be implemented, made concrete and proved by action."

Answering a further question on this, Zhao said some information on the guidelines had come from the United States, but it is still too vague.

He said he had heard nothing about any proposals from either the Chinese or the U.S. side for the United States to send military training teams to China.

Zhao Ziyang's meeting with the American correspondents lasted about 20 minutes until the arrival of Weinberger and his party at the Ziguang Pavilion.

#### Meets Deng Xiaoping

OW280815 Beijing XINHUA in English 0733 GMT 28 Sep 83

[Text] Beijing, September 28 (XINHUA) -- Deng Xiaoping, chairman of the Central Military Commission of the People's Republic of China, met with U.S. Defense Secretary Caspar Weinberger here this morning.

Deng Xiaoping said that to develop bilateral relations, it is important to enhance contacts and increase mutual understanding, but it is more important to remove fundamental obstacles and solve substantive matters. There are common grounds between China and the U.S., he said, but there do exist divergencies which need to be cleared up.

Deng Xiaoping said Sino-U.S. relations had moved through a tortuous course in the past three years. The crux of matter is the Taiwan issue, he said. Once this issue is resolved, the major obstacle in Sino-U.S. relations will be removed and this will benefit peace and security in Asia and the world, he said.

Weinberger said he would report to President Reagan what Chairman Deng Xiaoping said to him. He believed his China visit would help deepen mutual understanding.

The meeting took place in the Great Hall of the People. Chinese Defense Minister Zhang Aiping was present.

#### Reagan, Zhao Visits Announced

OW280906 Beijing XINHUA in English 0848 GMT 28 Sep 83

[Text] Beijing, September 28 (XINHUA) -- At the invitation of President Reagan, Premier Zhao Ziyang will pay an official visit to the United States of America in January, 1984. President Reagan will also pay an official visit to China in April 1984 at the invitation of Premier Zhao Ziyang.

This was announced by Qi Huaiyuan, director of the Information Department of the Foreign Ministry, here this afternoon at his weekly news briefing.

Qi described the current visit of U.S. Defense Secretary Weinberger as beneficial to promoting the mutual understanding between China and U.S. and furthering Sino-U.S. relations.

He said that the talks and meetings of Weinberger with Chinese leaders proceeded in a friendly atmosphere. The two sides had an earnest and candid exchange of views on international issues of common concern and matters concerning bilateral relations.

Weinberger left here for Xian around noon hour today.

#### Weinberger Holds Press Conference

OW280817 Beijing XINHUA in English 0801 GMT 28 Sep 83

["Weinberger on His China Trip" -- XINHUA headline]

[Text] Beijing, September 28 (XINHUA) -- Chinese Premier Zhao Ziyang will visit the United States in January 1984 and President Ronald Reagan will come to China in April.

This was announced by U.S. Defense Secretary Caspar Weinberger at a press conference here this morning just before he departed for Xian, an ancient city in northwest China.

He added that China's Defense Minister Zhang Aiping has accepted his invitation to visit the United States at a mutually convenient time, "which I hope would be soon."

More military officials of the two countries will exchange visits in the days to come, as a result of his present trip and future discussions, the secretary said.

Weinberger described his meetings and talks with Chairman Deng Xiaoping, Premier Zhao Ziyang, Defense Minister Zhang Aiping and other Chinese leaders in Beijing as very friendly, useful and positive.

These have brought "substantial progress" in increasing mutual understanding and confidence between the two countries, Weinberger added.

The secretary said he and his staffers had discussed with their Chinese counterparts technical cooperation between the two countries during their stay here. He declined to enumerate the specific weapons systems discussed but did mention air defense and anti-tank weapons. He said the new guidelines adopted by the U.S. Government on technology transfer to China provide wide areas for cooperation between the two sides.

Asked if Taiwan was mentioned in his talks with Chinese officials, Weinberger said it was discussed and he reiterated President Reagan's commitment to keep to the principles of the joint U.S.-China Shanghai Communique and communique of August 17, 1982.

In the Shanghai Communique, the U.S. Government acknowledges that Taiwan is part of Chinese territory and that the U.S. recognizes but one China. The August 17 communique provides that the United States will reduce step by step and ultimately terminate its arms sales to Taiwan.

A Chinese journalist asked Weinberger what assurances there are that the U.S. Government will honor these communiqes. He said: "You have the assurances of the U.S. Government." But he refused to elaborate on the assurances.

#### WU XUEQIAN IN NEW YORK SPEAKS ON PRC-U.S. RELATIONS

HK280922 Beijing RENMIN RIBAO in Chinese 28 Sep 83 p 6

[XINHUA report: "Wu Xueqian Talks About Sino-U.S. Relations in New York"]

[Text] Wu Xueqian, Chinese state councillor and concurrently minister of foreign affairs, gave a speech here today on Sino-U.S. relations. He said: "From the overall and long-term perspectives, once the obstacles existing between the two countries are removed, there will be broad vistas for the development of Sino-U.S. relations."

Wu Xueqian is in New York to attend the current UN General Assembly session. He made the speech at a luncheon given in his honor by the National Committee on United States-China Relations.

He said: Since China and the United States established formal diplomatic relations in 1979, there has been great progress in Sino-U.S. relations in various fields. The exchange of visits has shown a marked increase. The volume of trade between the two countries from 1979 through 1982 totaled \$18.2 billion, registering an average annual increase of 63 percent. The scope of economic and technical cooperation has expanded rapidly. Protocols for cooperation have been signed by the two countries in more than 20 specialized fields, and cooperation between the two sides is becoming increasingly close. The exchange of students and visiting scholars has reached a considerable scale.

He said: "The development of Sino-U.S. relations is in line with the common desire of the people of both countries and is conducive to world peace and stability."

But he also pointed out: The development of Sino-U.S. relations over the past few years has not been plain-sailing; there have been twists and turns. The root cause lies in the attitude of the United States toward the question of Taiwan.

He said: Shortly after the establishment of diplomatic relations between China and the United States, the United States produced a "Taiwan Relations Act" and treated China's Taiwan Province as an independent political entity. In the meantime, the United States persisted in selling large amounts of arms to Taiwan, infringing on China's sovereignty and for a time bringing the hard-won good relations between the two countries to the verge of rupture [pin lin po lie de wei xian 3464 5259 4275 5933 4104 0604 7145]. It was only after 10 months of negotiations that the two sides finally reached an agreement on 17 August last year and issued a joint communique on the settlement of the question of U.S. arms sales to Taiwan, thus temporarily easing the strained relations between the two countries.

Wu Xueqian continued: "Taiwan is an inalienable part of the Chinese territory, and the people in Taiwan are our own flesh and blood. Therefore, the Taiwan question is a major question concerning China's sovereignty and the 1 billion people's national feeling. The Chinese people on both sides of the strait long for an early end to the divided state to enable families to reunite and to accomplish the sacred cause of reunifying the motherland. In the past few years, our government has repeatedly explained the principle and policy to achieve peaceful reunification. Recently Chairman Deng Xiaoping's talks described this principle and policy in even more clear-cut and concrete terms." He pointed out: "This was proposed after giving full consideration to the long-range and fundamental interests of all the Chinese people, including our compatriots in Taiwan, and to peace and stability in the Asia-Pacific region."

He stressed: "If the United States truly desires to see a peaceful settlement of the Taiwan question, it should strictly abide by the relevant principles and provisions set forth in the joint communique on the establishment of diplomatic relations between China and the United States and the joint communique of 17 August last year; it should refrain from doing anything detrimental to the peaceful reunification of China, refrain from having any official or semi-official relations with Taiwan and gradually reduce, both qualitatively and quantitatively, its arms sales to Taiwan, leading to a final termination. Otherwise, it will only make a peaceful settlement more difficult and thus result in blocking the road toward a peaceful settlement."

Wu Xueqian expressed the hope that the U.S. side will have the long-range interest of the people of both countries in mind and abandon the practice of infringing on China's sovereignty and interfering in China's internal affairs on the Taiwan question so as to eliminate this fundamental obstacle in Sino-U.S. relations and so that relations between the two countries can develop smoothly.

On the question whether the different social systems of China and the United States will affect relations between the two countries, Wu Xueqian said: This worry is groundless. China will never seek hegemony even when it becomes a greater power. We will never become a threat to any country's security. This is our national policy and is clearly stipulated in our Constitution. We will adhere to the socialist road, but we never want to force our own system on others. Thirty years ago, the Chinese Government was the first to advocate the five principles of peaceful coexistence, and the crux of these five principles is mutual respect for sovereignty and territorial integrity and noninterference in each other's internal affairs. So long as the above-mentioned principles are observed by both sides, the different social systems will not hinder the establishment of stable and lasting relations between China and the United States.

He added: "China always adheres to an independent foreign policy, never attaches itself to any big power or group of powers and never yields to pressure from any big power. China has always adhered to principles, neither playing the Soviet card to put pressure on the United States, nor playing the American card to put pressure on the Soviet Union."

Wu Xueqian said: "Now, we have begun consultations and dialogue at the vice foreign minister level with the Soviet Union, but our stand against its hegemonist policies has not changed. During the Sino-Soviet consultations, we demanded that the Soviet Union stop supporting Vietnam in the latter's aggression against Kampuchea, withdraw its troops from Afghanistan and reduce its troops in the area along the Sino-Soviet border and withdraw its troops from Mongolia, so as to eliminate the three major obstacles to the normalization of Sino-Soviet relations. If these obstacles are truly removed, leading to improved Sino-Soviet relations, then what is wrong with it? Isn't it also a good thing to do for peace and stability in the Asia-Pacific region? We hold that how Sino-U.S. relations will develop will not depend on Sino-Soviet relations. In fact, among the incidents which strained Sino-Soviet relations in the past few years, not a single case had any direct relationship with Sino-Soviet relations. Wu Xueqian said: From the overall and long-term perspectives, once the obstacles existing between the two countries are removed, there will be broad vistas for the development of Sino-U.S. relations. This is because: First, the Chinese and American people have a longstanding traditional friendship. Since the establishment of diplomatic relations between China and the United States, with the increasing contacts between people, the understanding and friendship between the people of the two countries have been further strengthened. Mutual friendship and development of relations between the two countries are the common desire of the people of both countries. Second, the joint communique on the establishment of diplomatic relations between China and the United States and the "17 August" joint communique have laid down the principles the two countries should follow and provided the political basis for the steady development of relations between the two countries. By acting in accordance with the principles set forth in the joint communique on the establishment of diplomatic relations, continuing development of Sino-U.S. relations will be guaranteed. Third, there are tremendous potentials for developing cooperation between the two countries in the economic, trade, and scientific and technological fields. In conclusion, he expressed the hope for common efforts to contribute to strengthening Sino-U.S. relations.

U.S. SPEEDING UP TECHNOLOGY TRANSFERS TO PRC

OW280304 Beijing XINHUA in English 0242 GMT 28 Sep 83

[Text] Washington, September 27 (XINHUA) -- The United States is speeding up the approval process for exports of its advanced technology to the People's Republic of China, Commerce Secretary Malcolm Baldrige said today. Baldrige made these statements before the House Special Subcommittee on U.S.-China Trade of the Committee on Energy and Commerce. Under new guidelines of which final details are still being worked out, the Commerce Department will be able to clear almost three-quarters of all high technology shipments to China, the secretary explained. He said that this "represents a major change in our policy." Baldrige said the new policy generally places China in the same category for export licensing as other friendly nations, but adds three "zone" conditions. In the first of these, affecting most shipments, the Commerce Department will have authority for approvals. In the second, covering very high technology, there will be review by the Defense Department and other agencies. The third, or "red" zone, related to advance military systems, "will have a strong presumption for denial," the secretary explained. He said the Departments of Defense, State and Commerce, the Joint Chiefs of Staff, the National Security Council, and President Reagan had approved the new policy. It replaces an earlier policy which, Baldrige explained, had not proved practicable to administer, nor was it clear to the business community. Baldrige noted that the United States is still consulting with its allies on the new policy and is also in the midst of discussions with the Chinese. He was therefore unable to give the committee a complete explanation at this time, he said.

THIRD ROUND OF PRC-USSR TALKS TO BEGIN 6 OCT

OW280841 Beijing XINHUA in English 0830 GMT 28 Sep 83

[Text] Beijing, September 28 (XINHUA) -- The third round of consultations between the special envoys of China and the Soviet Union will begin its session on October 6 in Beijing, a Chinese Foreign Ministry spokesman said here today.

Speaking at his weekly press conference, director Qi Huaiyuan of the Information Department of the Foreign Ministry said the Chinese special envoy to participate in the consultation is Vice-Minister of Foreign Affairs Qian Qichen. The Soviet Special Envoy, Vice-Minister of Foreign Affairs L.F. Illichev, and his entourage will arrive in Beijing on October 4.

USSR CONDUCTS ANOTHER UNDERGROUND NUCLEAR TEST

LD261924 Beijing XINHUA in English 1350 GMT 26 Sep 83

[Text] Stockholm, September 26 (XINHUA) -- The Soviet Union conducted another underground nuclear test at Novaya Zemlya on the Kara Sea yesterday, according to the SWEDISH NEWS AGENCY (TT). The explosion was recorded at 1210 hours Swedish time and measured 6 on the Richter scale. The Soviet Union reportedly detonated six nuclear devices in the Caspian Sea area on September 24.

EXHIBITION OF FAMOUS CHINESE ARTIST OPENS IN MOSCOW

OW271856 Beijing XINHUA in English 1839 GMT 27 Sep 83

[Text] Moscow, September 27 (XINHUA) -- An exhibition of paintings by Xu Beihong, famous Chinese artist, opened in the Oriental People's Art Museum here today to mark the 30th anniversary of his death.

Xu Beihong (1895-1953), known in the West as Ju Peon, was chairman of the Union of Chinese Artists and president of the Central Academy of Fine Arts in Beijing.

He was best-known for his galloping horses. His traditional Chinese paintings, oils and sketches covered a wide range of subjects including human figures, birds, animals, flowers and landscapes.

A. Ushakov, acting curator of the museum, presided over the opening ceremony of the exhibition sponsored by the Soviet Ministry of Culture, the Union of Societies for Friendship and Cultural Relations With Foreign Countries, Hermitage Museum in Leningrad and the Oriental People's Art Museum.

Art critic Kanevskaya delivered a speech at the opening ceremony on the life and art of the Chinese painter who visited the Soviet Union in 1934.

Chinese Ambassador to the Soviet Union Yang Shouzheng was present at the ceremony.

FURTHER COVERAGE OF JAPAN SOCIALIST PARTY VISIT

Meets Hu Qili, Qiao Shi

OW271630 Beijing XINHUA in English 1558 GMT 27 Sep 83

[Text] Beijing, September 27 (XINHUA) -- Hu Qili, member of the Secretariat of the Chinese Communist Party Central Committee, and Qiao Shi, alternate member of the Secretariat, held talks here today with a delegation from the Socialist Party of Japan led by Chairman Masashi Ishibashi.

Sources close to the talks said Hu Qili spoke highly of the efforts made by the Socialist Party of Japan in restoring the two countries' diplomatic relations and promoting Sino-Japanese friendship in the last 20 years and more.

Hu Qili said Inejiro Asanuma, the late chairman of the Socialist Party and many other friends from the party made great efforts to promote Sino-Japanese friendship. This has already been recorded into the annals of Sino-Japanese friendship and will be remembered forever by the two peoples.

He expressed the willingness of the C.P.C. to develop its relations and contacts with the Socialist Party of Japan on the basis of the principles of independence, full equality, mutual respect and non-interference in each other's internal affairs.

Ishibashi expressed agreement to the principles and said the Socialist Party will try its best to develop its friendly relations and further its cooperation with the Chinese Communist Party.

Ishibashi said the world is in a worrisome situation and the nuclear arms race is still going on, endangering the existence of human beings. He said the Socialist Party of Japan demands that the United States and the Soviet Union carry out earnest negotiations on nuclear disarmament. Regional conflicts are still taking place now and then, he said.

He demanded the withdrawal of Soviet troops from Afghanistan and the withdrawal of Vietnamese troops from Kampuchea so that the Afghan and Kampuchean people can solve their own problems peacefully.

He said the Socialist Party of Japan firmly supports the struggle of the Palestinian and Arab people against Israeli aggression, the struggle of the Central and South American people for national liberation and state sovereignty, the struggle of the people of South Africa against the autocratic rule and the struggle of the people of southwestern Africa against racial discrimination.

He also briefed his Chinese hosts on the political and economic situation in Japan and explained his party's policy of neutrality, non-alignment, friendship with all countries and non-armament. He stressed that his party opposes a revision of the Constitution and is vigilant against the dangerous tendency of remaking Japan a big military power.

On China's domestic situation, Hu Qili said there is growing stability and unity and the national economy is developing smoothly. In spite of the abnormal weather this year, waterlogging in the south and drought in the north, China's grain output this year is expected to reach or surpass last year's level. In the first eight months this year, industrial production increased by a big margin compared with the same period of last year. Economic results of enterprises markedly improved recently.

All this was possible, he said, because the party Central Committee and the State Council exercise collective leadership and adhere to democratic centralism, persisted in the principle of starting from realities and seeking truth from facts, and adopted correct policies.

Hu Qili outlined the present four tasks for China: readjusting leading bodies and restructuring administrative systems; consolidating the party; improving socialist democracy and the legal system; and carrying out reforms in the economic management system in a planned way step-by-step to ensure a healthy development of the national economy. The two sides will continue their talks tomorrow.

#### Hu Qili Hosts Reception

OW271654 Beijing XINHUA in English 1638 GMT 27 Sep 83

[Text] Beijing, September 27 (XINHUA) -- The extensive contacts between the governments, parties, and peoples of China and Japan show that Sino-Japanese relations are developing in scope and depth. This was said by Hu Qili, member of the Secretariat of the Central Committee of the Chinese Communist Party, at a reception he gave here this evening welcoming the Japanese Socialist Party delegation.

The development of such relations, he said, is in the fundamental interests of the Chinese and Japanese peoples and is conducive to peace and stability in Asia.

Hu praised the Japanese Socialist Party for consistently upholding Japan-China friendship, for its protracted, unremitting efforts in striving for the normalization of diplomatic relations between the two countries, and in opposing the "two Chinas" plot.

"The establishment of relations between the Chinese Communist Party and the Japanese Socialist Party will promote the friendly ties between the Chinese and Japanese peoples which will continue from generation to generation," Hu Qili said.

Hu expressed the belief that the visit of the delegation led by the Japanese Socialist Party's Chairman Masashi Ishibashi will increase mutual understanding, enhance the friendship between the two parties, and promote the good neighborly relations between the two countries.

Masashi Ishibashi said the establishment of relations between the Japanese Socialist Party and the Chinese Communist Party has been welcomed by the whole Japanese Socialist Party.

He said that it has brought the amity between the Japanese Socialist Party and the Chinese people to a new stage.

He said at present Japan and China are carrying out cooperation and exchanges in the political, economic and cultural fields. This is a great contribution to Asian peace.

He paid tribute to the Chinese people for their efforts to achieve the objectives of socialist modernization put forward by the 12th party congress.

Present at the reception were Ji Pengfei, Standing Committee member of the Central Advisory Commission and state councillor; Qiao Shi, alternate member of the Secretariat of the C.P.C. Central Committee; and Qian Liren, head of the International Liaison Department of the C.P.C. Central Committee.

## KYODO Report

OW280559 Tokyo KYODO in English 0455 GMT 28 Sep 83

[Text] Beijing, Sept 28 KYODO -- Masashi Ishibashi, chairman of the No 1 opposition Japan Socialist Party, Tuesday put forth an idea that Japan and China jointly propose establishment of a United Nations disarmament committee for the Asia-Pacific region. He presented the idea at the opening of a series of talks with Chinese party leaders, including Secretary Hu Qili, held at the Great Hall of the People Tuesday morning. If the Chinese favor the proposed idea, Ishibashi said, he will act immediately on the Japanese Government to prepare for a joint Sino-Japanese proposal to the United Nations.

If the proposed disarmament body is difficult to be set up in the United Nations in the near future, the Japanese Socialists call for the formation of the disarmament forum on a peoples' level, joined by people from every country concerned. The JSP will spare no efforts to pave the way for the people-level regional disarmament committee, Ishibashi said.

While referring to the proposal, Ishibashi told the Chinese that his party strongly hopes for an early conclusion of a ban-the-nuclear testing pact and an accord for non-use of nuclear arms by nuclear powers.

Ishibashi, who was elected JSP chief early this month, arrived here Monday, at the head of a JSP delegation at the invitation of the China Communist Party.

The idea for the Asia-Pacific disarmament committee has come from the JSP viewpoint that the nuclear arms race among the U.S., the Soviet Union and others is now reaching an extremely serious state and that the human race faces an actual danger, Ishibashi said.

The Japanese Socialists strongly hope that nuclear disarmament negotiations, similar to the strategic nuclear arms reduction talks (START) and the intermediate nuclear force (INF) reduction talks, would also be carried out in Asia, Ishibashi told the Chinese.

During the talks Tuesday, Ishibashi gave his views on the international situation and the latest Japanese political situation for two hours and 45 minutes.

He called for an early normalization of Sino-Soviet relations, saying that normalized relations between Beijing and Moscow will give an unmeasurable impact not only to the two countries but also to the peace and development in Asia.

On the Japanese situation, the Socialist leader expressed strong apprehension about a militarist trend toward a big military power. Ishibashi accused the Japanese Government of Prime Minister Yasuhiro Nakasone of trying to revise the war-renouncing Constitution and make Japan a big military power. Ishibashi also explained and sought Chinese understanding of his party's nonarmed, neutrality policy. To defend a true peace and safety is not to side with one side of antagonists and confront with the other side of them, he said. The JSP will uphold the war-renouncing Constitution and take a non-aligned, neutral position without concluding military alliance with any country, he said. The JSP supports the conclusion of peace and friendly ties with any other countries and loses no chances for its role of peaceful diplomacy in helping ease the global tension and promote world disarmament, Ishibashi said.

Ishibashi also invited the Chinese party to send a delegation to Japan next year.

Talks End

OW280836 Beijing XINHUA in English 0806 GMT 28 Sep 83

[Text] Beijing, September 28 (XINHUA) -- A delegation from the Chinese Communist Party will visit Japan next year at the invitation of the Socialist Party of Japan. This was disclosed by Chinese sources at the end of the talks between Hu Qili and Qiao Shi, member and alternate member of the Secretariat of the Chinese Communist Party Central Committee, and the Japanese Socialist Party delegation led by Chairman Masashi Ishibashi here this morning.

The sources said that both sides had exchanged views in a very friendly and sincere manner and concluded that the talks increased the understanding and cooperation between the two parties.

This morning Qiao Shi explained the Chinese Communist Party's views on the international situation and major world problems. He said the two sides held similar or identical views on many international issues such as support to the national independence and liberation movements, defense of world peace and development of Sino-Japanese friendship. This laid a sound foundation for further friendly cooperation. It was natural for them to differ on certain issues, he noted. But they could continue to exchange views and that would not affect cooperation between the two parties.

Sources close to the talks quoted Qiao Shi as attributing the present world tension to the contention for world domination between the two superpowers. He described the basic points of China's foreign policy as independence, opposition to hegemonism, safeguarding of world peace, and development of friendly relations with all countries on the basis of the five principles of peaceful coexistence.

On Sino-Soviet relations, Qiao Shi said China sincerely hoped to normalize its state relations with the Soviet Union, adding that this would not come by easily mainly because the Soviet side was unwilling to solve the problems. The Soviet Union already rejected China's demand to remove the three obstacles threatening China's security, he said.

Referring to Sino-U.S. relations, he said the principal obstacle was the Taiwan issue and the crux was the U.S. "Taiwan Relations Act" which, he said, was an intervention with China's internal affairs.

Qiao Shi said he hoped to see continuous development of Sino-Japanese relations in various fields through the concerted efforts by the two peoples. General Secretary Hu Yaobang's scheduled visit to Japan in November would certainly push ahead the momentum of keeping the Chinese and Japanese peoples living in friendship from generation to generation. China was very much concerned about the direction of Japan's development, he noted.

Qiao Shi also said that China stood for total prohibition and thorough destruction of nuclear weapons and for the combination of reduction of nuclear weapons with that of conventional weapons. China developed some nuclear weapons purely for the purpose of defending itself and opposing nuclear threat and monopoly, and China already made it known that it will never be the first to use nuclear weapons, he added.

NPC DELEGATION CONTINUES VISIT TO ITALY

## Meets President Pertini

OW280311 Beijing XINHUA in English 0247 GMT 28 Sep 83

[Text] Rome, September 27 (XINHUA) -- Italian President Alessandro Pertini received here today the delegation of the Standing Committee of the Chinese National People's Congress (NPC) headed by its Vice-Chairman Chen Pixian.

Recalling his 1980 visit to China, President Pertini said, "during my stay in China, I had a long and significant talk with Deng Xiaoping." China is a large country with great potentialities. She loves peace but if invaded, naturally she will counter-attack, he said.

Chen Pixian said President Pertini's visit to China has enhanced the development of friendly relations between the two countries. Earlier, Leonilde Jotti, speaker of the Italian Chamber of Deputies, also met with the Chinese NPC delegation. Chinese Ambassador Lin Zhong was also present on both occasions.

## Meets Prime Minister Craxi

OW280854 Beijing XINHUA in English 0751 GMT 28 Sep 83

[Text] Rome, September 27 (XINHUA) -- Italian Prime Minister Bettino Craxi said he is dealing with the problems arising in the Italian-Chinese economic and trade relations, and will endeavor to promote the development of the two countries' relations.

He made the remark during his meeting this afternoon with the delegation of the Chinese National People's Congress headed by NPC Standing Committee Vice-Chairman Chen Pixian.

Chen Pixian said he was glad that the Italian prime minister would deal with the problems in the economic and trade relations between the two countries. The two countries' relations will surely further develop through their joint efforts, he said.

He conveyed Premier Zhao Ziyang's best regards to Craxi, and hoped that Craxi would visit China again at a suitable time.

WANG BINGNAN MEETS WEST GERMAN DELEGATION 27 SEP

OW272006 Beijing XINHUA in English 1637 GMT 27 Sep 83

[Text] Beijing, September 27 (XINHUA) -- Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, this evening met and feted a delegation from Konrad-Adenauer-Stiftung of the Federal Republic of Germany. The delegation, led by Dr Lothar Kraft will go on to visit Xian, Shanghai, Hangzhou and Jinan.

ENVOY TO LUXEMBOURG PRESENTS CREDENTIALS

OW272000 Beijing XINHUA in English 1837 GMT 27 Sep 83

[Text] Luxembourg, September 27 (XINHUA) -- Chinese Ambassador to Luxembourg Zhang Shu presented his credentials to Grand Duke of Luxembourg Prince Jean here today. The grand duke had friendly talks with Zhang Shu. Earlier, Deputy Prime Minister and Foreign Minister Miss Colette Flesch received the Chinese ambassador.

RENMIN RIBAO ON RAISING QUALITY OF PERSONNEL

HK270850 Beijing RENMIN RIBAO in Chinese 24 Sep 83 p 2

[Commentator's article: "It Is First Necessary To Raise the Quality of Personnel"]

[Text] Over 2,000 years ago China's outstanding thinker, Xun Zi, incisively summed up the decisive role of man in the struggle for production by pointing out that man will triumph over nature. However, due to the different quality of man, the role a man plays and the achievements he attains in that struggle against nature are also different. In the past, because its young workers had poor technical competence and its products were outmoded, the silk mill of Yunan's Chuxiong Yi Autonomous Prefecture was overstocked with unmarketable products. Now that the quality of its workers and staff members has been raised and the patterns and quality of its products have been improved, the supply has fallen short of demand. It can thus be seen that in doing economic work it is insufficient just to have people and it is imperative to have people who master science and technology.

At present, what is lacking in numerous enterprises is not "labor force" but laborers of a new type who have both knowledge and skills and can suit the needs of modernization. The enterprise mentioned in the article "Serious Waste in the Huolinhe Mining Area," which was carried in our newspaper not long ago, was a typical example of this kind. The state had spent a huge amount of foreign exchange to purchase large quantities of modern equipment for this mine. It was a pity that the enterprise's technical force was so weak and the quality of its workers and staff members so poor that some equipment which should have been operated by engineers had to be handled by Grade-2 workers -- with the result that the expensive equipment was laid aside or seriously damaged, thus causing distressing losses. Similar situations also exist in numerous other enterprises.

To raise the quality of enterprises it is first necessary to raise the quality of their personnel. At present it is particularly necessary to increase the professional and technical competence of workers and staff members. One reason leading to the poor quality and high costs of some enterprises' products is the poor operational and technical competence of workers, resulting in many rejects and substandard products, rising costs, and poorer economic results. We must pay close attention to weak links in production and choose a number of pressing subjects as key issues in the education of workers and staff members so we can solve each difficult problem by giving one lesson and thus attain results at an early date.

It is not a comprehensive view to regard improvement of the quality of workers and staff members as an effort to increase their professional and technical competence alone. As a matter of fact a person's quality includes not only his professional and technical competence but also the level of his scientific and cultural knowledge. In a socialist enterprise, if a person does not love socialism and is even unwilling to exert himself for the modernization drive, he has no quality worth mentioning. We should not view the quality of a person simply as the mastery of skills and knowledge but should first see whether he has socialist consciousness. Precisely because of this, we have always considered improvement in the ideological and political consciousness of workers and staff members a primary task in improving their quality.

GRAIN, COTTON HARVEST MAY TOP 1982 RECORDS

OW272044 Beijing XINHUA in English 1842 GMT 27 Sep 83

[Text] Beijing, September 27 (XINHUA) -- China expects to gather good harvests of grain and cotton this year despite excessive rains and drought in different parts of the country.

The country's total grain output is expected to exceed the 1982 record figure -- 353 million tons, according to reports from across the country. Cotton output will equal last year's figure of 3.59 million tons, in spite of a decrease of 133,000 hectares in sown area. Output of sugar beet and sugar cane are estimated to be more than the 1982 figure. Harvest of apples, oranges, tangerines and other fruits is better than that of last year, while output of oil-bearing crops and tobacco is expected to meet state targets.

According to figures available by the end of August, output of wheat and other summer grains was estimated to be 8.5 million tons over 1982. Output of early rice dropped because of excessive rains. However, a good harvest of middle-season rice was reaped and output of late rice on 10 million hectares is expected to be close or equivalent to the figure of 1982, a good harvest year.

Record grain harvests were reported by Liaoning, Jilin, Henan, Sichuan, Jiangsu and Guizhou Provinces and Inner Mongolia. This year, Henan expects to become China's third province with a grain output exceeding 25 million tons. The other two are Sichuan and Jiangsu.

In the northern part of the country, output of late autumn grain crops is expected to be bigger than last year's. This year, some parts of north China were hit by drought in summer while a number of areas in the middle and lower reaches of the Yangtze River -- China's major rice producing center -- were hit by heavy rains. In addition, wind or hail storms struck 800 counties. By the end of July China's crop cultivation area affected by natural disasters was 6.6 million hectares more than in the same 1982 period.

This year's good harvest is attributed to the job responsibility system which links output with economic benefits, thus enhancing the initiative of peasants. It is also due to scientific farming. Hybrid rice was planted on 6.7 million hectares, an increase of over ten percent over 1982. Plastic sheets were used on a larger area to protect cotton, grain and oil-bearing crops from cold weather. In addition, the state has supplied peasants with more chemical fertilizers, diesel oil, farm machines and implements, and extended more agricultural loans.

#### SPECIALIZED HOUSEHOLDS ARE BOON TO RURAL ECONOMY

OW280107 Beijing XINHUA Domestic Service in Chinese 1452 GMT 26 Sep 83

[By reporter Lie Bang]

[Text] Beijing, 26 Sep (XINHUA) -- In China's vast rural areas, 10 percent of peasant households have now become specialized households [zhuan ye hu 1413 2814 2073] or households doing specialized jobs besides crop cultivation [zhong dian hu 6850 7820 2073]. They have changed from the "small but complete" form of operation and engage specifically or mainly in grain growing, livestock and poultry raising or farm and sideline products processing, and some engage in serving production or people's daily needs.

From the very beginning these households have operated as commodity producers, stressed economic results, closely watched market demands, concentrated on advanced science and technology and constantly improved management and operations. As a result their labor productivity has markedly increased, and their percentage of marketable products is more than 10 times that of ordinary peasant households. The emergence of these "two households" is giving a powerful impact to the specialization and socialization of China's agriculture.

These households are another innovation since implementation of the output-related system of contracted responsibilities in rural areas. This system has provided conditions for the growth of the "two households." Three years ago there were only a few, but now the "two households" have spread to all parts of the country. According to statistics from 28 provinces, municipalities and autonomous regions (less Xizang) at the beginning of this year, the number of such households in the whole country has grown to 16 million, accounting for 9.4 percent of total peasant households in these provinces, municipalities and autonomous regions. In the last few months the "two households" have grown further and are estimated to account for more than 10 percent of the country's total number of peasant households. The "two households" have grown faster in Liaoning, Shanxi, Jiangxi, Tianjin and other provinces and municipalities. Among them the number of "two households" in Liaoning Province has increased to over 1.32 million, or a quarter of the province's total peasant households. The percentage of the "two households" is even higher in some prefectures and counties. It is 35 percent in Ying County, Shanxi. Many specialized villages have appeared in Heilongjiang and Fujian.

Among the "two households," those specializing in livestock and poultry raising made the earliest start and have developed most rapidly, now numbering 4 million. Generally they are characterized by small investment, quick results, high output, high rate of marketable products and greater contributions to the state. The number of marketable hogs sold to the state by households specializing in hog-raising in the suburbs of Shenyang City -- 14.6 percent of the total -- accounts for 46 percent of all marketable hogs procured; and the quantity of eggs sold to the state by households specializing in chicken-raising -- 8.6 percent of total -- accounts for 51 percent of total eggs procured.

Households specializing in grain cultivation for marketing had a rather late start but have developed rapidly. Currently, more specialized households are turning over their contracted farmlands to skilled crop farmers to operate, while they themselves concentrate on their own specialized work. A few years ago in Zhucheng County, Shandong Province, 240,000 people were contracted for field grain crops. The number has now dropped to 170,000 and large areas of farmland are concentrated in the hands of specialized grain households. Once land is put in the hands of skilled crop farmers, the economic results will be very different and output and marketable rate will double and redouble. In past year the number of households specializing in grain production constituted less than 7 percent of the total number of peasant households in Xiangyuan County, Shanxi Province, but the marketable grain they sold to the state accounted for 70 percent of the county's total state grain procurement quota. This year the number of households specializing in grain production has grown to more than 340,000 in the province, accounting for 6.5 percent of the province's total peasant households and contracting 13.7 percent of its total acreage of grain fields.

According to an investigation by a department concerned on 16 typical specialized grain households in various localities, each able-bodied man produced an average of 12,818 jin of grain, 6 times the national average for 1981 (2,118 jin). Of these households, 11 sold a total of 567,800 jin of marketable grain to the state at a marketable rate of 74.3 percent. These facts indicate that the emergence of the specialized grain households shows a new form of intensive farming and opens up a new way for marketable grain production in our country.

A trend deserving attention is that quite a number of the "two households" are now developing into scientific and technical demonstration households or technical service households. Their contracted farmlands and ponds for the livestock and poultry they raise have become bases for scientific and technical demonstration and stock and seed supply. In view of the problem that hogs get fat slowly in winter in the north, Gao Zhongshan's hog-raising household in the Limin Production Brigade in Suihua City, Heilongjiang Province, fattened hogs in winter by building simple hothouses covered with plastic sheets and so forth. Between November of the first year, when (Ke-lang) hogs were placed in the hothouse, and February of the second year when the hogs were slaughtered, each hog had gained an average of 7.4 liang in weight per day, while hogs in ordinary cold sties in the same locality gained an average of 3.3 liang per day. News of such advanced experience gets around fast and becomes an example for the masses to learn from. Wang Jinsheng's fish culture household in Qingbai Township, Xindu County, Sichuan Province, contracted 10 mu of water ponds from the collective, which produced a fish crop valued at 16,000 yuan in 1982. This year, at the invitation of nearby peasants, he started three social services: 1) to give technical guidance under contract to 13 specialized households which operate 60 mu of fish ponds; 2) to provide fish fry, medicine and technical guidance for 300 mu of fish ponds operated by 43 fish culture households in Peng, Pi, Jintang and his own counties, using his own motorcycle; and 3) to run short-term training classes for fish culture households. Wang Jinsheng's technical services have enabled fish culture households to double and redouble fish production.

Division of labor along specialized lines invariably brings socialized services. In the Sujiatun District of Shenyang City, there are already more than 10,000 specialized households, which provide various services for the "two households." These specialized service households coordinate with service organizations run by the state and collectives, forming a gigantic socialized service network. Whatever is needed for production by the district's "two households," which number more than 32,000 in various trades, there are people to deliver it to their doorsteps. Thus, the "two households" can concentrate on their own specialized production work. These specialized service households serve the needs of the "two households" before, during and after production, thus forming a new productive force. People praise them as "wheels under the feet and wings on the bodies" of the specialized households and households doing specialized jobs besides crop cultivation.

#### NATIONAL FRESHWATER FISH CULTURE IMPROVES

OW271230 Beijing XINHUA in English 1158 GMT 27 Sep 83

[Text] Changsha, September 27 (XINHUA) -- Catch of freshwater fish reached 580,000 tons in the first half of this year, two percent more than the same period in 1982.

Fish farming has developed rapidly in recent years, according to a national seminar on aquatic production here. Output of freshwater products came to 1.56 million tons in 1982, a record for the past three decades.

Seminar sources said that the growth rate of freshwater fish and other aquatic products averaged 12.2 percent between 1978 and 1982, compared with 6.9 percent in the two decades and more before 1978.

The rapid expansion of fisheries was attributed to flexible rural policies over the last few years. Most state and collective fish farms have practised the job responsibility system. Small fish ponds in rural collectives have been contracted out to individuals.

Local governments have allocated funds and sent technicians to help peasants raise fish. The state also purchases fish at a higher price and allows individuals to sell fish at rural fairs after their state quotas are fulfilled. The measures have fired peasants' enthusiasm and larger areas of lakes and ponds are now used for fish breeding. It is reported that three million hectares of water surface were utilized in 1982, about six percent more than the preceding year.

In Hunan Province, central China, 500,000 peasants are engaged in fish breeding. The fish farming area was expanded to more than 280,000 hectares in 1982 and output reached 179,800 tons.

New fish breeds, mixed feed and other techniques also spread rapidly. For example in Foshan Prefecture of Guangdong Province 670,000 people attended training courses in fish breeding techniques in the first half of this year.

#### STATE COUNCIL ISSUES RULES ON JOINT VENTURES

0W262126 Beijing XINHUA in English 1135 GMT 26 Sep 83

[Text] Beijing, September 26 (XINHUA) -- China has issued regulations to implement the law on joint ventures using Chinese and foreign investment, giving such enterprises more preferential treatment in sales, taxation and foreign exchange in order to absorb foreign investment.

The State Council has added many supplementary and detailed explanations to the law on Chinese-foreign joint ventures put out in July, 1979.

The regulations contain 16 chapters with 118 articles. It has come into force from September 20, 1983 the date of its promulgation.

The legal status of joint ventures is determined. The regulations say that joint ventures are Chinese legal entities and are subject to the jurisdiction and protection of the Chinese law.

It is stipulated that joint ventures permitted to be established within China's territory shall be for the benefit of socialist modernization. They shall mainly cover energy development, building materials, chemical and metallurgical industries; machine building, instrument and meter, offshore oil exploitation equipment manufacturing industries; electronics and computer industries and communication equipment manufacturing industries; light, textile, food, medicine, medical apparatus and packing industries; agriculture, animal husbandry and aquaculture; tourism and service trades.

The establishment of a joint venture is subject to examination and approval by the Ministry of Foreign Economic Relations and Trade. Within three months, a decision of approval or disapproval shall be made.

To encourage foreign investors, the regulations stipulate that any foreign investor who intends to establish a joint venture in China but has no specific cooperator may authorize the China International Trust and Investment Corporation (CITIC) or local trust and investment corporations to introduce potential Chinese cooperators.

The participants to a joint venture may contribute cash or buildings, premises, equipment or other materials, industrial property, know-how, right to the use of a site as investment.

The regulations have added some significant provisions concerning the board of directors of joint ventures, saying that the board is the highest authority of the joint venture which will decide all major issues. Chairman of the board will be appointed by the Chinese participant, and vice-chairman by the foreign participant. The general manager and deputy general managers will be engaged by the board. The positions may be held either by Chinese citizens or foreign citizens.

The regulations stipulate that a joint venture has the right to do business independently, and departments concerned shall provide support and assistance.

To ensure capital construction of a joint venture to go on as planned, the regulations provide that the joint venture shall work out a capital construction plan which is to be included in the capital construction plan of the department in charge of the joint venture and will be given priority in arranging supplies.

In purchase of required machinery, equipment, raw materials, fuel, means of transport, etc., a joint venture may decide to buy in China or abroad. However, where conditions are similar it should give priority to purchase in China.

The regulations provide some preferential treatment for sales of the products of joint ventures, saying that the Chinese Government encourages joint ventures to sell their products to the international market, but products that China urgently needs or imports can be mainly sold on the Chinese market.

For taxation, the regulations also provide more preferential treatment. It is stipulated that imported materials which may be exempt from customs duty and industrial and commercial consolidated tax include machinery, equipment and other materials as part of the foreign participant's share of investment, or such materials imported with funds which are part of the joint venture's total investment, or raw materials imported by the joint venture for production of export goods.

It is also stipulated that products of a joint venture for export may be exempt from industrial and commercial consolidated tax, subject to the approval by the Ministry of Finance.

A joint venture can apply for reduction or exemption of industrial and commercial consolidated tax for a certain period of time for products that are sold on the domestic market when it has difficulty to pay such tax in its initial period of production.

The regulations stipulate that all matters concerning foreign exchange for joint ventures shall be handled according to the interim regulations on foreign exchange control and relevant regulations.

There are some supplementary provisions, saying that China encourages joint ventures to sell their products on international markets so that they are able to meet their payments in foreign exchange, but when a joint venture has an unbalance of foreign exchange income and expenses because its products are mainly sold on domestic market under approval, the unbalance shall be solved by the department in charge of the enterprise.

Some revisions have been made concerning remittance of wages and other legitimate earnings of staff members and workers of foreign nationality and those from Hong Kong and Macao. It is provided that they may remit outside China all the remaining foreign exchange after paying income tax according to the law.

The regulations provide that joint ventures shall make efforts to conduct professional and technical training of their staff and workers. The salary and bonus systems of joint ventures shall be in accordance with the principle of distribution to each according to his work, and getting more for those who works more.

The regulations provide that staff and workers of a joint venture have the right to set up grassroots trade unions which represent the interests of the staff and workers. Trade unions have the power to represent the staff and workers to sign labor contracts with joint ventures and supervise the execution of these contracts. Trade union representatives have the right to attend and to report the opinions and demands of staff and workers to meetings of the board of directors held to discuss development plans, production and operational activities of joint ventures and the vital interests of the staff and workers.

In settling disputes, it is stipulated that a dispute may be submit to the Foreign Economic and Trade Arbitration Commission of the China Council for the Promotion of International Trade, or through an arbitration agency in the country where the sued party is located or through one in a third country.

#### 22 New Joint Ventures Set

OW241824 Beijing XINHUA in English 1612 GMT 24 Sep 83

[Text] Beijing, September 24 (XINHUA) -- China has approved 22 new joint venture enterprises using Chinese and foreign investment totalling over 240 million U.S. dollars in the first half of this year, the Ministry of Foreign Economic Relations and Trade announced here today.

Investment from foreign firms amounts to over 60 million U.S. dollars. From 1979 till June this year China had altogether approved 105 joint ventures. Foreign investment reached over 200 million U.S. dollars.

The 22 joint ventures newly approved cover machine building, construction, building materials, petroleum, light, textile and electronic industries and service trades. Most are productive enterprises.

There are now more major enterprises than before. Five of the new ventures each have an investment of over 10 million U.S. dollars. The Shanghai Yaohua-Pilkinton Glass Company, Ltd., and the Beijing Jeep Corporation, Ltd., both have an investment of over 50 million U.S. dollars.

The glass company, set up by the Shanghai Yaohua General Glass Plant, the Shanghai branch of the Bank of China, Pilkinton Brothers P.L.C., U.K., and U.D.I. Ltd., Hong Kong, has a total investment of over 200 million yuan and a registered capital of 160 million yuan. Foreign investment constitutes 25 percent of the registered capital. The company will introduce the advanced float glass production line from the Pilkinton Company and turn out 5.5 million standard boxes of 2-millimeter to 25-millimeter-thick plate glass a year.

The Beijing Jeep Corporation, Ltd., established by the Beijing Automobile Works and the American Motor Corporation (A.M.C.) will introduce patent technology for the manufacture of jeeps from A.M.C. and its production and management methods to improve the products of the Beijing Automobile Works and to develop a new generation of light cross-country vehicles and other new products.

Other major joint ventures include the China Nanhai-Baker Drilling Corporation, jointly run by the China National Offshore Oil Corporation and the Baker Drilling Corporation of the United States; the Great Wall Wine Company, and the Enping-Kwong Luen Tai Textile Company set up by the Textile Industry Corporation of Enping County in Guangdong Province and Kwong Luen Tai of Hong Kong.

These joint ventures are now under construction.

#### Preferential Treatment Slated

OW260957 Beijing XINHUA in English 0827 GMT 26 Sep 83

[Text] Beijing, September 26 (XINHUA) -- China will give preferential treatment to joint ventures using Chinese and foreign investment under regulations made public by the State Council today. These include: joint ventures shall be exempt from customs duty and industrial and commercial consolidated tax for certain imported materials; products of joint ventures for export will be exempt from consolidated industrial and commercial tax; and products of joint ventures that China urgently needs or imports can be mainly sold on the Chinese market.

Yuan Mu, spokesman for the State Council, told Chinese and foreign correspondents at a press conference here today, "These provisions are advantageous to foreign investors." It is China's long-term, he stated, unchangeable strategic principle to persist in the policy of opening to the outside world, expand trade and economic and technological exchanges with foreign countries and welcome foreign investors.

China promulgated its law on joint ventures using Chinese and foreign investment in July 1979, Yuan Mu recalled. The regulations to implement the law "embodies the principle of equality and mutual benefit for parties to a joint ventures," and "signifies the further relaxation of China's policy on using foreign funds and setting up joint ventures," he added. It also makes China's legislation on joint ventures more concrete and comprehensive.

Some other provisions of the regulations:

-- The legal status of joint ventures in China. Chinese-foreign joint ventures are Chinese legal entities and are subject to the jurisdiction and protection of Chinese law.

-- The requirements for joint ventures, industries in which joint ventures are encouraged and impermissible conditions. Yuan Mu explained that these are minimum requirements of a sovereign state and not discrimination against or excessive demands upon joint ventures.

-- The highest authority of a joint venture shall be its board of directors ascertained through consultation by the parties involved. It shall decide all major issues concerning the joint venture.

-- All matters concerning foreign exchange for joint ventures shall be handled according to relevant Chinese regulations. Yuan Mu explained that China encourages joint ventures to export their products so as to be able to meet their payments in foreign exchange, and when a joint venture whose products that China urgently needs or imports are approved to be sold mainly on the domestic market and there is an imbalance of foreign exchange income and expenses, the imbalance shall be solved by the department in charge of the joint venture. On the question of income and expenses in foreign exchange, "the legitimate rights and interests of foreign investors are ensured," he stated.

-- Departments in charge of joint ventures are responsible for guidance and assistance and supervise the joint venture. This means that the department in charge is not in a leadership position as it is in the state-run enterprises, the spokesman explained. "This provision reflects respect for the right of a joint venture to do business independently," he added.

-- Disputes arising between the parties in a joint venture may apply for arbitration in China, or by mutual consent through an arbitration agency in the country where the sued party is located or in a third country.

The spokesman noted that China, with rich resources and manpower, fairly developed technology and low wages, offered growth possibilities for various enterprises and a vast market. This plus the long-standing political stability, "provides favorable conditions and environment for foreign investment in the country".

By the end of 1982, China had reached agreements to absorb direct foreign investment in various forms totalling 4.9 billion U.S. dollars, of which 1.7 billion had been used, according to the spokesman. By the end of June this year, the number of Chinese-foreign joint ventures came to 105, involving some 200 million U.S. dollars of foreign funds. Yuan Mu invited foreign investors to consider China and he hoped joint ventures would grow on the basis of equality and mutual benefit.

Answering a question raised by a correspondent, the spokesman said that until specific regulations are drawn up and put out, the regulations to implement the law on Chinese-foreign joint ventures will be applied to joint ventures using Chinese investment and investment from Hong Kong and Macao as well as from Overseas Chinese.

#### LI PENG URGES DEVELOPMENT OF POWER INDUSTRY

HK280236 Beijing CHINA DAILY in English 28 Sep 83 p 4

[ "Opinion" column article: "Industrial Needs Call for Expansion of Power Industry" ]

[Text] Only by rapid development of the country's power industry, can China meet the needs of her economic construction, says Li Peng, vice-premier of the State Council, in an article in the journal HONGQI (RED FLAG). Excerpts follow:

More use of electricity as a source of power will increase the mechanization of China's industrial and agricultural production and raise labour productivity. It will also improve working conditions and ensure quality of products.

China's power industry has seen remarkable development since 1949. Electricity generated increased to 327.7 billion kilowatt hours (kWh) in 1982 against 4.3 billion kWh in 1949; the capacity of power generating equipment rose from 1.85 million kilowatts to 72.36 million kilowatts -- an increase of 75 and 38 times respectively. And China now ranks sixth in power generation in the world from 25th in the past. The power generated every five days equals the total power generated in the whole country for a whole year at the end of 1949. However, China is a country with a large population, and the average per capita owned power is only 320 kWh. Far behind industrially advanced countries. There are more than 300 million peasants who do not yet have electricity for their own use.

The country's shortage of electricity has long been one of the outstanding contradictions in China's economy. In 1980 and 1981, as a result of a drop in the nation's heavy industrial production, power-saving measures were enforced, and pressure on the electricity supply was temporarily relaxed.

Since heavy industrial production was stepped up again in 1982, electricity in many districts has become a cause for concern, especially in the developing coastal districts. According to preliminary estimates, the total shortage of electrical equipment in the nation is about 40 billion kilowatt hours (kWh), hence, about 20 percent of the country's production capacity cannot be put into operation.

What should be the speed of development of our electrical power industry if we are to quadruple production by the year 2000?

As the development of our national economy in the next 18 years will depend primarily on progress in science and technology, a more efficient use of energy resources is expected. This should result in a drop in consumption per industrial unit. But domestic consumption and that used by agriculture, communications and transportation will increase as the use of electricity becomes more widespread. Overall consumption, therefore, will rise.

The key to speeding the development of electrical industry is to increase generating plants. We must build large electrical engineering works every year so as to create conditions for rapid development of electrical power.

Special features of our energy resources must be taken into consideration. The general principle for development should be:

To exploit as much hydroelectric power as possible;

To develop thermal power with emphasis on building thermal power stations in mining regions;

To build nuclear power stations has become an urgent task in northeast and east China and Guangdong Province, where coal and hydro-power resources are scarce. A fairly quick development of nuclear power industry is expected in China within 20 years.

To develop electric networks;

To develop small power stations using a variety of resources to meet the needs of villages and small towns out of the reach of major electrical networks.

As the country's capacity to produce petroleum and natural gas is limited, development of thermal power should rely on coal. The cost of building thermal power stations is comparatively low and building time is short, while they offer a quick economic return.

By 1982, the six major transprovince electrical networks of northeast China, north China, east China, central China, northwest China and southwest China had been completed. A south China network to connect Guangdong Province and Guangxi Zhuang Autonomous Region is to be set up soon.

To solve the problems of electricity supply to villages, the best solution is to develop small power stations. We have already built 80,600 such stations.

NATIONAL RAILWAY CONSTRUCTION CONFERENCE ENDS

0W271201 Beijing XINHUA Domestic Service in Chinese 1220 GMT 25 Sep 83

[By correspondent Yang Futian]

[Text] Chengdu, 25 Sep (XINHUA) -- A national work conference on railway capital construction ended in Chengdu today. The conference spelled out the following specific measures for reformed capital construction management that will reduce costs, shorten construction periods, and build better railways:

-- Quicken the pace of construction preparations during the early stages of railway projects, speed up the study and formulation of a railway network development plan that tallies with the country's actual conditions, gear railway construction to national construction needs, and do a good job in studying railway construction feasibility and surveying and designing work.

-- Popularize the contracting and economic responsibility systems in construction. State-approved projects will be contracted to a builder or builders according to the corresponding authorized cost estimates or budgets. Contracting units may call for bids and select the best one.

-- Organize construction in a rational and scientific way. Every project must have specially assigned personnel to establish a construction responsibility system and to be responsible for preparations and formulating the best construction plan.

-- Railway capital construction contingents should ensure that professional builders are integrated with civilian workers. From now on, construction workers will be replenished with qualified and professionally trained ones and ordinary workers will no longer be recruited.

-- Vigorously popularize advanced science and technology. Study, develop, and apply new techniques, new technologies, new materials, and new equipment.

Statistics show that from 1950 to 1982 this country put into service 105 new railways, totaling more than 21,800 km, and built over 7,100 km of double-track and electrified railways while restoring and upgrading the original railroads. This has boosted the country's rail transport capability and improved its railways' geographic distribution. However, rail transport remains a weak link of the national economy.

The national work conference on railway capital construction was held in Chengdu by the Ministry of Railways from 15 to 25 September with a view to solving such problems as high cost and long construction periods and to accelerating the pace of railway construction.

CPPCC National Committee Vice Chairman Lu Zhengcao, who had taken a leading post in the country's long-term railway operation and construction, addressed the closing session of the conference.

STUDY OF DENG'S STATE STRUCTURE REFORM URGED

HK280352 Beijing GUANGMING RIBAO in Chinese 5 Sep 83 p 3

[Article by Fang Wen: "Reforming the Leadership System Is an Important Guarantee for the Realization of the Four Modernizations -- Studying Comrade Deng Xiaoping's 'Streamlining Government Institutions Is a Revolution'"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping has repeatedly put forward the issue of reforming the party and government leadership system. In January 1982 he made a speech entitled "Streamlining Government Institutions Is a Revolution" at a meeting of the CPC Central Political Bureau, mainly expounding the necessity of reforming the state leadership system, the basic principles and major tasks for this reform, and the great significance of the reform. His speech has shown us the orientation of reforming the state structure. In the past year and more, under the correct leadership of party central authorities and the State Council, structural reform has made rapid progress and has achieved marked results. It has greatly promoted socialist construction on various fronts. Practice shows that streamlining government institutions and reforming the leadership system constitutes a major and successful strategic decision made by our party and government.

To realize the four modernizations it is necessary to reform and perfect our state leadership system, and especially to reform parts of the superstructure which are not in line with the requirements of the modernization drive to ensure the smooth development of economic construction. Comrade Deng Xiaoping clearly pointed out: "Streamlining Government Institutions Is a revolution." ("Selected Works of Deng Xiaoping" p 351) "Of course it is a Revolution not directed at some people but a revolution directed at the system and the structure." If we do not carry out this revolution, "not only will the four modernizations become hopeless, but the fate of our party and state will also be in danger." (Ibid., p 352) These concise words contain profound truth and help us understand that the reform of the leadership system has a direct bearing on the success of our socialist modernization drive and on the future and destiny of our party and state. We must not hesitate about this and must not give up halfway; rather, we must resolutely carry out this reform through to the end.

In the course of establishing and building socialism, leadership institutions are situated in a particular important position because the socialist system, being different from other social systems, must be established and developed on the basis of the people's conscious activities. Historical materialism affirms the objectiveness of laws governing social development; at the same time, it does not deny the role of man's conscious and positive activities. Different from laws of nature, laws of social development are related to people's activities. Without people's activities, laws of social development would not exist and would not materialize. Historical necessity is not something advocated by fatalism. Social laws and social developmental tendency show only some possibilities. The materialization of these possibilities depends on people's conscious activities.

This is a common characteristic of historical development. In a socialist society people's conscious activities play a more special and significant role. Socialist society is the first society in human history established and built by the people in a conscious and planned way. Undoubtedly the establishment and development of socialist society must follow objective laws governing social development. At the same time it is also the result of the people's conscious struggle under the leadership of the political party and state power of the working class. In general, in a socialist society the private ownership system of the means of production has been abolished, and the system of man exploiting man has been eliminated. Thus it is possible for people to handle social production in a more and more conscious way according to their understanding of objective laws. It is possible for the party and state to work out its line, principles, and policies according to objective conditions and laws and to lead all the people to build socialism in an organized and planned way. For the first time in human history, the spontaneous force that dominated society has thus been brought under the control of the people. Therefore, in the struggle to build socialism, leadership institutions at all levels play a highly important role. The quality of these leadership organs is closely related to whether socialist construction can be smoothly carried forward. The leadership system must be reformed if it does not meet the needs of the socialist modernization drive or seriously impedes its development.

The specially important role of leadership organs in the development of our socialist society is also inseparable from the prestige and power enjoyed by our party and the people's government. The party and the people's government represent the people's interests and have forged flesh-and-blood ties with the people. The program, principles, and policies put forward by the party central authorities for building a strong and modern socialist country are in the greatest interests of the people and are warmly supported by the people. Therefore, the party and the people's government can now enjoy high prestige among the people. At the same time our party and the people's government are organized according to the principle of democratic centralism. All power of the people's government belongs to the people. The government practices centralism on the basis of democracy and practices democracy under the guidance of centralism. The government which concentrates the will of the people is the headquarters leading and organizing socialist construction, so it is also vested with great power. Under these circumstances, whether the party and state leadership system can be reformed and improved greatly concerns our socialist modernization construction. The leadership system is also closely related to whether the party and the government can make correct decisions and policies and whether these correct decisions and policies can be implemented. If the leadership system is not perfect it will result in damaging democratic centralism and collective leadership and will lead to individual autocracy. This in turn will cause major errors in decisionmaking. Under an unreasonable leadership system, correct decisions and policies cannot be fully implemented, due results cannot be achieved as expected in the work.

The establishment and development of the socialist system in our country have proved that the people's democratic dictatorship, the public ownership system of the means of production, and the basic socialist economic principles of developing the national economy and other social undertakings in a planned way and handling distribution according to work, are all in the fundamental interests of the people of all nationalities in our country. However, because our socialist society emerged from the womb of a semicolonial and semifeudal society, it is unavoidable that quite a few maladies and deficiencies still exist in some specific systems of our party and state.

These maladies and deficiencies are mainly bureaucracy, the excessive centralization of power, the patriarchal system, the fait accompli that leading cadres hold lifelong tenure of office, the phenomena of privileges, and some problems in the organizational system such as unwieldy structure, overstaffing, unclear designation of duties for different departments and personnel, and low work efficiency. This state of affairs has dissatisfied the people and cadres and has seriously hindered the superiority of the socialist system from being brought into full play. Admittedly the ideological quality and work style of leaders have a great bearing on whether leadership organs can exercise correct leadership, but the leadership system also plays a decisive role. In actual life the emergence of many contradictions cannot be ascribed merely to ideological and political reasons, because more important reasons lie in some problems of specific party and government systems. For example, the phenomena of bureaucracy now existing in our country are not only a problem concerning the incorrect style of work of some leading cadres but are also related to the low level of productive forces and the low educational level of the whole nation. The root cause of this problem can be traced to some specific systems. For a long time in the past we adhered to a highly centralized administrative system over the economic, political, cultural, and social fields. Under this system, leadership organs at all levels took charge of many affairs that they should not be concerned about or that they are not competent to take care of. On the other hand, there were no sets of strict administrative regulations from top to bottom and no individual responsibility system in our leadership organs at all levels. Duties and functions for each department and for each person were not clearly specified. As a result some matters were not looked after by anybody and the phenomena of buck-passing could be seen everywhere. There were no normal methods for enrolling, promoting, removing cadres, giving awards and punishment to cadres, and handling cadre's retirement. This led to unwieldy structure and overstaffing. All this engenders bureaucracy. To overcome bureaucracy and other maladies, it is necessary to reform and improve the leadership system of the socialist country.

Proletarian revolutionary teachers always attached importance to the building of the political system of the proletarian state. After the October Revolution Lenin paid close attention to perfecting the leadership system of the Soviet state power. He often required the people to guard against the tendency of Soviet deputies becoming "members of a legislative assembly" or bureaucrats, and persistently fought against bureaucracy in leadership organs. Since the founding of the PRC we have achieved success in building our political power and our leadership system. Comrade Mao Zedong once correctly pointed out: There is correspondence as well as contradiction between the superstructure and the economic base in our socialist system. He also pointed out that the existence of a certain bureaucratic style of work in our state organs and defects in some links in our state institutions contradict the socialist economic base. We must continue to resolve all such contradictions in light of our specific conditions. Afterward, however, due to the influence of "leftist" ideology, we concentrated on tackling class struggle and neglected the work of reforming our state institutions. Now the party central authorities have resolutely shifted the focus of work onto socialist construction and have placed structural reform in the primary position in regard to all reforms. This is precisely for the purpose of resolving contradictions between related production and productive forces and between the superstructure and the economic base, and overcoming defects in some links in our state institutions, so that the reaction of the superstructure on the economic base will be brought into play to ensure further improvement of the economic system and to promote the development of productive forces.

Because the contradiction between the socialist superstructure and the economic base is not an antagonistic contradiction, this reform will be effected through self-improvement of the socialist system in an orderly way under the leadership of authorities from the bottom up rather than through intense antagonism and conflicts. The party and the state can take the initiative in reforming unsuitable parts of state institutions to consolidate and develop the socialist economic base. They need not and are not allowed to launch a so-called "great political revolution of overthrowing one class by another class" for this purpose. Structural reform is revolutionary reform. However, this reform is directed just at the unreasonable leadership system. It is not a fundamental reform of the social system, not a reform directed at overall state power, and not a revolution directed at some people.

The important decision to carry out a reform of the leadership system is in the fundamental interest of the people, conforms to requirements of social development, and is completely correct. This timely reform will help remove existing maladies and deficiencies in our leadership system, help consolidate and develop our socialist system, help establish and improve various specific systems, show clearer Chinese characteristics, ensure the smooth development of the reform of the economic system, and promote the development of productive forces.

#### CENTRAL BROADCAST TO GO ON NEW SCHEDULE 1 NOV

OW280545 Beijing XINHUA Domestic Service in Chinese 1226 GMT 27 Sep 83

[Text] Beijing, 27 Sep (XINHUA) -- Beginning 1 November the Central People's Broadcasting Station will be on the air according to a new schedule. Under the new program schedule "Programs by People's Broadcasting Stations in All Localities" and "Historical Stories" will be reinstated, and new programs, "The Field of Law," "Foreign Exchange Quotations" and "National Weather Forecast," will be added.

"Programs by People's Broadcasting Stations in All Localities" were highly popular among listeners when they were broadcast during the late 1950's and early 1960's. These programs of news and other features that broadcasting stations of various provinces, municipalities and autonomous regions take turns to produce will be broadcast at noon each day, reporting primarily on accomplishments and new features in all localities and on all fronts of our country in building the two civilizations. Their reports about customs and the beautiful scenery of various localities will have marked local characteristics. Through these programs, the Taiwan Department of the Central People's Broadcasting Station will also introduce to our listeners the history, people, culture, local customs and scenery of Taiwan.

In response to listeners' opinions, music for signing on and signing off each broadcast day as well as the introductions to "Newspaper Digest," "National Hookup" and other programs will also be readjusted. To facilitate the teaching of the national anthem, "National Anthem of the People's Republic of China" will be played at 0629 [2229 GMT] before "Newspaper Digest," which will be broadcast on Program No 1 each day.

#### CONSTRUCTION OF COLOR TV CENTER IN PROGRESS

OW280601 Beijing XINHUA Domestic Service in Chinese 0847 GMT 27 Sep 83

[Newsletter by XINHUA correspondent Xu Yaozhong: "On the Future Television Screen -- A Visit to the Color TV Center Under Construction"]

[Excerpts] Beijing, 27 Sep (XINHUA) -- Construction of the Central Television Station's color TV center, a key project of the state, is under way on a vast piece of open land located to the south of the beautiful Yuyuantan Park in the capital and west of the majestic Military Museum.

The rumble of various kinds of machinery and heavy equipment at the construction site sound somewhat like symphonic music, telling people what they will see on the future TV screen: Their motherland will be more beautiful and their life will be rich and colorful.

#### Eight Great Changes

Zhang Zhijian, deputy chief engineer of the Ministry of Radio and Television and principal responsible person in charge of the technological design of the projected color TV center, describes this center as a "factory that adds color to life." He said that this "factory" will bring about eight great changes to the TV screen when it is completed in 1986.

There will be four TV channels instead of two. Transmission time will increase to 33 hours and 30 minutes from a total of 12 hours [as received]. During daytime people will be able to watch TV programs presently available in the evening hours only. Night shift workers do not have to worry about not having TV programs to watch in the daytime.

There will be 12 TV program studios instead of the present 2 and they will be able to produce 12 programs at one time, such as music, song and dance, drama, television shows and so on. The program shooting time will increase to 172 hours weekly [as received] from the present 20 hours.

There will be good news for learners. The color TV center will use a specific channel for video education purposes.

The color TV center will have a specific news transmission system that will exchange news programs with provincial, municipal and autonomous regional TV stations as well as with foreign TV networks through satellites and microwave trunk networks. Domestic and international news will be put promptly on the screen for wide TV audiences.

There will be more live relays for audiences.

Television audiences in Xinjiang and Xizang regions will be able to receive Central TV station's programs as scheduled. In view of the 2-hour time difference between the eastern and western parts of the country, the color TV center will use an automatic time extension device to enable audiences in the western part of the country to watch programs without having to adjust their work and rest schedules and their normal living habits.

Audiences of national minorities will be able to watch TV programs with simultaneous transmission in their respective languages.

The color TV center will present programs with simultaneous transmission in English and other foreign languages for the convenience of foreign embassy personnel and foreign tourists.

#### New Scenes in the Capital

The color TV center will provide good service to audiences when completed. It will be a magnificent building of a new and special architectural style in the capital. The center's rectangular transmission building will be 24 stories high. The microwave transmission tower on top of it will be 135 meters high from the ground.

In February this year Premier Zhao Ziyang told leading comrades of Beijing Municipality that the capital should start construction of the color TV center as a key project in spite of the arduous construction task. Vice Premier Wan Li has urged comrades of the Ministry of Radio and Television to build the color TV center into a technologically advanced, modern facility.

SEYPIDIN, OTHERS ATTEND MINORITY GALA IN BEIJING

OW251650 Beijing XINHUA in English 1606 GMT 25 Sep 83

[Text] Beijing, September 25 (XINHUA) -- Celebrations of China's national day, October 1, began today with a gala attended by 13,000 representatives of minority residents in the Chinese capital. The gala celebration is Beijing's first to be attended by so many people of minority nationalities since the founding of the People's Republic in 1949. China has 56 nationalities with the Hans accounting for about 94 percent of its total population. The minority nationalities include the Zhuangs, Huis, Mongolians and Tibetans. China's Constitution stipulates that all nationalities are equal. The celebration was held at the Central Institute of Minority Nationalities on the city's western outskirts and featured by dances, singing, acrobatics, and sports competitions in the traditional styles of the minority nationalities. [sentence as received]

Among the special guests at the gala was a woman from Tibet named Baiba. She said she works for a pharmaceutical company in Tibet and is now in Beijing for medical treatment. "Since I came here last month, many Beijing residents, all strangers to me, have offered me help both in my daily life and in medical treatment. I'm moved by the warmth shown to me by brothers and sisters in the capital."

Many party and state leaders attended the celebaraton. Seypidin, of Uygur nationality in Xinjiang, is vice-chairman of the Standing Committee of the National People's Congress. He was attracted by a "dumbbell" performance given by a group of pupils from a primary school for Muslim chidren. He joined many others in shouting "splendid!" Yang Jingren, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and minister in charge of the State Nationalities Affairs Commission, said that "As a Muslim myself, I'm especially happy to see such a grand gathering in which people of different nationalities chat, sing and dance together."

Also attending the gala were compatriots from Taiwan and Japanese, Italian and U.S. students who are studying in the Chinese capital.

[Beijing XINHUA Domestic Service in Chinese at 1226 GMT on 25 September carries a similar report which notes: "Seypidin, vice chairman of the NPC Standing Committee; Yang Jingren and Hu Ziang, vice chairmen of the CPPCC National Committee; Duan Junyi, first secretary of the Beijing Municipal CPC Committee; and responsible persons of party and state departments and commissions concerned and of departments of the Beijing Municipal CPC Committee and the municipal government attended the get-together."]

CORRECTION ON CPC CULTURAL ACTIVITIES CIRCULAR

In the item entitled "CPC Circular Urges Mass Cultural Activities" published in the 27 September China DAILY REPORT, page K 4, third paragraph, make line three read: ...and the CYC Central Committee last August....(inserting date)

ANHUI CPPCC COMMITTEE HOLDS WORK CONFERENCE

OW270305 Hefei Anhui Provincial Service in Mandarin 1100 GMT 24 Sep 83

[Excerpts] How can Anhui's People's Political Consultative Conference expand its scope of serving the four modernizations and bring into better play the role of the province's talented personnel during the new historical period? This was one of the major questions discussed at a recent work conference held by the Anhui Provincial CPPCC Committee.

Zhu Nong, vice chairman and concurrently secretary general of the provincial CPPCC Committee, made a work report and Yang Haibo, deputy secretary of the provincial CPC Committee, spoke at the conference.

After explaining the nature, position, and tasks of the CPPCC during the historical period, Comrade Yang Haibo pointed out: The CPPCC plays an important role in fulfilling the three major tasks of the 1980's and must accomplish a tremendous amount of work in promoting the four modernizations.

Comrade Yang Haibo stressed that the CPPCC must attach great importance to the work concerning intellectuals in order to bring into full play their role in the four modernizations. The work is especially important and pressing in Anhui because of the province's backwardness in science, technology, and management. He also urged party committees at all levels in Anhui to strengthen their leadership over and support the work of the CPPCC.

Zhang Kaifan, chairman of the provincial CPPCC Committee, spoke at the closing of the conference. He said: The CPPCC committees at all levels must make special efforts to organize members and people from various circles to study the "Selected Works of Deng Xiaoping," which is an outline for building China with distinctive socialist characteristics, the party's theoretical foundation in formulating principles and policies in the new historical period, and a guideline for doing the work of the CPPCC.

Comrade Zhang Kaifan said: The key to achieving a breakthrough in the work of the CPPCC lies in conscientiously implementing the spirit of Comrade Hu Yaobang's speech at the forum in Gansu on united front work and CPPCC work.

Sun Zongrong, vice chairman of the provincial CPPCC Committee, spoke at the opening of the conference. Vice Chairmen of the provincial CPPCC Committee Hong Pei, Wang Zenong, Pan Ezhang, Zheng Jiaqi, Chen Tianren, and Ma Leting, and provincial CPC Committee's United Front Work Department director (Qin Guangyu) attended the conference. Attending the conference also were responsible persons of CPPCC committees of all cities and counties in Anhui and of united front work departments of all prefectural CPC committees.

HAN PEIXIN AT WOMEN'S MEETING IN JIANGSU

OW271347 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 26 Sep 83

[Excerpts] The Jiangsu Provincial and Nanjing City Women's Federations held a meeting at the Great Hall of the People in Nanjing on 26 September to report on the guidelines of the fifth national women's congress. At the meeting provincial and city officials presented, on behalf of the All-China Women's Federation, awards to the representatives of Jiangsu's 390 national "8 March" red-banner pacesetters, 73 national "8 March" red-banner collectives, and 461 national "five-good" families.

Attending the meeting were provincial and city leading comrades Han Peixin, Zhou Ze, He Binghao, (Zhang Jiwe), Ouyang Huilin, (Liu Ping), (Zhou Zhaoyi), (Xia Fengying), as well as other comrades of departments concerned.

(Wu Shanjing), chairman of the Nanjing City Women's Federation, presided over the meeting. (Qin Shuping), member of the Standing Committee of the All-China Women's Federation and chairman of the Jiangsu Provincial Women's Federation, conveyed to the meeting the proceedings and major guidelines of the fifth national women's congress. She called on women throughout the province to conscientiously study, understand and carry out the guidelines, to continually enhance their political consciousness and educational level, and to greet the convocation of Jiangsu's sixth women's congress with actual deeds of striving to become new type of women of the 1980's.

Comrade Zhou Ze, deputy secretary of the provincial party committee, addressed the meeting on behalf of the committee. He called on women throughout the province to continue to work hard and to give full play to their role in building socialist material and spiritual civilizations.

#### SHANGHAI PAPER STRESSES OVERSEAS RELATIONS

OW270345 Shanghai City Service in Mandarin 2300 GMT 23 Sep 83

[WEN HUI BAO 24 September commentator's article: "Relations With People Abroad Are a Good Thing"]

[Text] The article points out: Returned Overseas Chinese and intellectuals among their dependents are still rejected or discriminated against to varying degrees in some localities and units. On such questions as their application for party membership, their promotion and application for advanced studies or study tours abroad, people often say that they have complicated relations with people abroad. This shows that the erroneous view of indiscriminately having no trust in those who have relations with people abroad has not yet been completely eliminated.

The article says: When people say that returned Overseas Chinese and intellectuals among their dependents have so-called complicated relations with people abroad, this actually indicates that those people lack a correct understanding of the patriotic feeling of large numbers of returned Overseas Chinese and intellectuals among their dependents, and their devotion to their work. Ardently loving the motherland is a glorious tradition of large numbers of returned Overseas Chinese, their dependents, and Chinese nationals residing abroad. They are an important auxiliary force for our four modernizations, and relations with people abroad are an indispensable, positive factor in mobilizing this force. Meanwhile, relations with people abroad are a bridge between people on both sides of the Taiwan Strait, a link in promoting the reunification of the motherland, a channel in developing our friendly relations with the governments and people of various countries, and creating a peaceful environment favorable to our drive for the four modernizations.

The WEN HUI BAO commentator's article says: By stressing that we should show more respect for, and give more consideration to, returned Overseas Chinese and intellectuals among their dependents, we do not mean building up a portion of people or belittling another portion. In so doing we aim only at making our country more prosperous and powerful. Giving first consideration to the actual difficulties facing returned Overseas Chinese and intellectuals among their dependents is in the fundamental interests of the people. We should be more farsighted and take the overall situation into account. We should not consider only minor issues to the neglect of major ones.

HAINAN TRANSFORMS COMMUNES INTO DISTRICTS, TOWNS

HK270529 Haikou Hainan Island Service in Mandarin 0330 GMT 25 Sep 83

[Text] As of 29 September our district had completed the work of establishing districts and towns [zhen]. A total of 292 districts as well as 20 towns have been established. The leading groups of the newly established district CPC committees, town CPC committees, district administrative offices, and town governments, as well as agricultural, industrial, and commercial integrated complexes in districts and towns have already started functioning.

Since spring this year the Hainan District CPC Committee has been treating the work of separating government administration from commune administration as an important item in rural work. The committee carried out experiments in Qionghai County in May. All counties and cities have set up leading groups of organizational reform since July, and have carried out the work of establishing districts and towns in an all-round way. Except for a few communes, most of the communes have been transformed into districts or replaced by districts in the work of establishing districts and towns. Members of the leading groups of the newly established district CPC committees, town CPC committees, district administrative offices, and town governments, as well as agricultural, industrial, and commercial integrated complexes in districts and towns are 1.2 years younger on average than the leading groups' members in the past. Among the total number of members in the leading groups, the proportion of college-educated members at committee and office level has increased by 2.4 percent when compared with that in the past. At present most of the counties have started the experimental work of transforming the production brigades into townships. The work will be launched full-scale in October this year.

GUANGXI ADOPTS NEW LAW TO CONTROL MARKET TRADING

HK260759 Nanning Guangxi Regional Service in Mandarin 1130 GMT 25 Sep 83

[Text] Regional People's Government recently issued a circular and enacted new regulations regarding licensing control in markets, and in transportation, purchasing, and sales of agricultural and sideline products. In view of the situation that there are complex conditions in unlicensed trading in markets in our region, the circular demands that the departments concerned should make a distinction in treating different cases, and adopt the method of combining sorting out with legislation, and of combining guidance with banning.

Those youths awaiting job assignments who possess formal residence status in cities and towns and other similar jobless personnel should be mobilized to send applications to the relevant local departments of commerce and industry to apply for a license for operation. With regard to residents who had been sent to the countryside during the Cultural Revolution and who have returned, and those persons who came from the countryside and who have married persons in cities and towns and truly have difficulties in meeting expenses in daily life, temporary licenses can be granted in certain trades according to personal conditions and market requirements. With regard to staff and workers in full employment, students currently studying in schools, and persons from other areas staying in cities and towns for a long period of time who are engaged in unlicensed trading and doing business through local purchase and sales to procure profits, resolute measures should be taken to ban all these activities.

In order to strengthen the management of the purchasing, sales, and transportation of agricultural and sideline products and to ensure the fulfillment of the state's purchasing plan, the circular clearly stipulates that state-owned and collective commercial units and individual merchants from outside counties and cities are prohibited from going to the places of origin, the rural areas, and rural fairs to buy products by offering higher prices and thus sabotaging the state's purchasing plan. If these rules are violated the commodities thus procured will be purchased at state-fixed prices or a fine will be payable at a rate of within 10 percent of the total value of the commodities. Both of these penalties may be imposed if cases are found to be serious. Persons who come from outside areas and want to set up stalls to sell their commodities must have their business registered at local departments which deal with the management of industry and commerce, and they should sell their commodities at fixed places and should pay their due taxes according to law.

GUANGXI PEOPLE'S CONGRESS ON FIGHTING CRIME

HK260750 Nanning Guangxi Regional Service in Mandarin 1130 GMT 24 Sep 83

[Text] The sixth regional People's Congress Standing Committee held its fourth meeting on the morning of 23 September. The meeting was presided over by Huang Rong, vice chairman of the regional People's Congress Standing Committee. At the meeting, Lin Kewu, vice chairman of the regional People's Congress Standing Committee, communicated the spirit of the Second Session of the Sixth NPC Standing Committee. (Wang Guangyu), director of the regional Public Security Department, delivered a report on hitting hard at criminal activities.

Also attending the meeting were Vice Chairmen of the regional People's Congress Standing Committee Li Yindan, Shi Zhaotang, Zhao Mingjian, Gan Huiyi, Qin Zhenwu, and Zhang Jingning.

Gan Ku, regional vice governor; (Wei Liren), president of the regional Higher People's Court; (Huang Yuanliang), chief procurator of the regional Higher People's Procuratorate; and (Lan Xiufang), responsible person of the regional Judicial Department, were invited to attend the meeting as nonvoting delegates.

In this report (Wang Guangyu) said: The province has made initial achievements in the struggle against criminal activities, and various criminal elements, awed by the power of dictatorship, have surrendered themselves to judicial and public security departments one after another. They have confessed their crimes and reported and exposed the crimes committed by their accomplices and have voluntarily surrendered all their illicit money and loot. Criminal cases have dropped greatly in the past month and normal social order has been restored in some places where social order was poor in the past. Criminal cases dropped by 54.2 percent throughout the region from 1 to 20 September as compared with the same period in August, with major criminal cases dropping by 49.4 percent.

Director (Wang Guanghu) said: We must continue to implement seriously the persistent instructions and decisions made by the NPC Standing Committee and the State Council on hitting hard at crimes and the two decisions adopted at the Second Meeting of the Sixth NPC Standing Committee on imposing severe punishment on those elements committing serious crimes. We must fully mobilize and rely on the masses, adhere to law, and continue to deal with those criminal elements who pose a serious threat to people's security. We must arrest those criminal elements who should be arrested, imprison those who should be imprisoned, sentence to reform through labor those who should be sentenced to reform through labor, and cancel urban household registrations of those whose urban household registrations should be canceled. In serious cases those involved should be severely dealt with according to law so as to strive for a basic improvement in social order and mood throughout the region as soon as possible.

## Committee Meeting Ends

HK280118 Nanning Guangxi Regional Service in Mandarin 1130 GMT 27 Sep 83

[Text] The fourth meeting of the sixth regional People's Congress Standing Committee concluded in Nanning this afternoon. The meeting unanimously approved a resolution on cracking down hard on criminals who seriously endanger social order, and also approved appointments and dismissals. Committee Vice Chairman Li Yindan presided at the meeting today. Chairman Huang Rong and Vice Chairmen Lin Kewu, Zhao Mingjian, Zhang Huaiyi, Qin Zhenwu, and Zhang Jingning were present. Present as observers were regional government Vice Chairman Gan Ku; regional Higher People's Court President (Wei Liren); regional Chief Procurator (Huang Yuanluo); regional Public Security Department Director (Wang Guangyu); and regional Judicial Department responsible person (Lan Xiufang).

WUHAN PLA MILITIA PROGRESSIVE GATHERING ENDS

HK280301 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 27 Sep 83

[Summary] The meeting of representatives of advanced units and individuals in militia work convened by the Wuhan PLA units concluded this morning. Wuhan PLA units Commander Zhou Shizhong; Hubei Provincial CPC Committee Secretary Guan Guangfu; Central Advisory Commission member Zhang Caiquan; Central Discipline Inspection Commission member Lin Weixian; NPC Standing Committee member Zhang Xiulong; and other leading comrades of the Wuhan PLA units and of Henan and Hubei Provinces Li Guangjun, (Hou Runtao), Ren Rong, Wang Zhan, Wang Chun, Zhao Wenfu, and Wan Ningfu attended the closing ceremony.

Comrade Zhou Shizhong made a speech. "He demanded that the people's armed forces departments and their cadres and the militia study the 'Selected Works of Deng Xiaoping' in depth, continually enhance spontaneity to carry out the party's line, principles, and policies, and further strengthen militia building. It is necessary to actively organize the militia to take part in building the two civilizations and make new contributions to developing China. It is necessary to integrate the militia system with the reserve service system, integrate militia work with preparations for wartime troop mobilization, and strengthen the building of the reserve force to meet the needs of opposing a future war of aggression."

A responsible comrade of the mobilization department of the PLA General Staff Department also spoke.

HUBEI REPORTS PROGRESS IN RESTRUCTURING

HK270351 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 26 Sep 83

[Excerpt] Yesterday afternoon provincial CPC Committee Secretary Wang Quanguo announced at a rally of cadres of Xiangyang Prefecture and Xiangfan City: With the approval of the State Council, the provincial CPC Committee's pilot project in amalgamating Xiangyang Prefecture and Xiangfan City and instituting city leadership over counties is now proceeding smoothly. After the amalgamation is carried out, Xiangfan City will administer Xiangyang, Zaoyang, Yicheng, Nanzhang, Baokang, and Gucheng Counties in addition to the city itself, which will be divided into districts. Suixian County will be abolished and merged into Suizhou City, and Guanghua County will be abolished and merged into Laohekou City. These two cities will rank as county-level cities under provincial administration. Xiangfan City will handle their economic planning, finances, and material planning setup.

In mid-September provincial CPC Committee Secretary Wang Quanguo and provincial People's Congress Standing Committee Vice Chairman Jiao Dexiu led a provincial CPC Committee group for guiding structural reform and personnel assignments to Xiangyang, to prepare the assignment of Xiangfan City's party and government leadership groups following the amalgamation of the city and prefecture. They did this preparatory work together with the comrades of the prefectoral and city CPC committees. The assignment of these leadership groups has now been basically determined.

GUAN GUANGFU SPEAKS ON HUBEI ECONOMIC WORK

HK260811 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 24 Sep 83

[Text] At a conference yesterday attended by cadres at or above deputy bureau director level of Shashi City, provincial CPC Committee Secretary Guan Guangfu, who is now carrying out inspection work in Shashi City, emphasized that at present the enterprises in our province are confronted with a serious challenge. In order to meet this challenge, the guiding ideology in economic work should be enhanced. [Words indistinct] economic work must be diverted to the path of treating the enhancement of economic results as the central task. On the basis of the diversion, enterprises should transform themselves from production-type to production-marketing type, and from [words indistinct] to production-technology type.

Comrade Guan Guangfu pointed out that economic work must be diverted to the path of treating the enhancement of economic results as the central task, and all economic work should be arranged on the basis of this central task. What we call economic results are comprehensive economic results. Importance should be attached not only to microeconomic results, but also to macroeconomic results, not only to economic results of enterprises, but also to economic results of the society, and not only to direct economic results, but also to indirect economic results.

He continued, pointing out that enterprises should transform themselves on the basis of the diversion from production-type to production-marketing type. Enterprises should not only attach importance to production, but also do a good job in marketing. The leaders of various enterprises should devote their energy [words indistinct] to the operation of production as well as marketing [words indistinct].

Comrade Guan Guangfu, on the basis of investigations into the history and the current situation of the development of industry in Shashi City, inspected conditions of 21 enterprises. After the inspection he put forward several points in connection with his hope and demand for cadres at or above the deputy bureau director level. He hoped that various kinds of work, especially the reform work, of Shashi City would take the lead in the province in striving to open up a new situation in economic work and in enhancing economic results continuously, so as to provide experience serving as a model for the whole province. On the basis of the results already attained, [words indistinct] greater strides should be made on the road of progress.

HUBEI PEOPLE'S CONGRESS COMMITTEE MEETING ENDS

HK280240 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 27 Sep 83

[Text] The fourth meeting of the sixth Hubei People's Congress Standing Committee concluded this afternoon. The committee members expressed satisfaction with the report delivered by provincial Public Security Department Director (Li Leng) on the state of social order and cracking down on crime in the province. They unanimously approved a resolution on cracking down on crime. The resolution called on the people of the province to work together and struggle for a fundamental turn for the better in social order.

The meeting unanimously approved a resolution on strictly controlling the scale of capital construction and concentrating finances and materials to ensure key state construction work, and a resolution on resolutely banning indiscriminate and disguised price hikes.

The meeting also unanimously approved a decision on the timing of elections and number of delegates for county and township people's congresses. It approved trial regulations for the work of delegates to the provincial People's Congress. The meeting also discussed and approved appointments and dismissals.

#### HUNAN'S MAO ZHIYONG SUPPORTS EDUCATION

HK260832 Changsha Hunan Provincial Service in Mandarin 1100 GMT 25 Sep 83

[Text] The 6-day provincial meeting on general education work victoriously concluded on 25 September in Dongan County. The first of its kind in the province in the 30-odd years since the founding of the PRC, this meeting was attended by secretaries of provincial, prefectural, city, and county CPC committees, who held special discussions on general education.

Mao Zhiyong, first secretary of the provincial CPC Committee; and Wan Da, Wang Xiangtian, and Yin Changming, Standing Committee members of the provincial CPC Committee; attended the meeting from beginning to end.

At the meeting Comrade Mao Zhiyong made an important speech entitled: "Grasping Education Is an Urgent Issue." Comrade Wang Xiangtian made a report on pushing general education work in the province to a new stage. Comrades Xiong Qingquan, Wan Da, Yin Changming, and (Wang Hanfu) also delivered speeches.

The meeting held: Education and science are importance strategic points for economic development as well as an important prerequisite for building the two civilizations. Party and government leaders at all levels must have a clear understanding and must firmly grasp the principal issue with a strong and urgent sense of responsibility.

The meeting pointed out: In fulfilling the main tasks for the province's general education in the 1980's, it is necessary to use every means available to stress popularization of junior middle school education, vigorously and steadily reform the structure of secondary education, and upgrade the quality of secondary education. The province must strive to basically fulfill the task of popularizing junior middle school education before 1988 and must, at present, work out a plan for popularizing general education so as to vigorously upgrade the quality of primary school education and reform the structure of secondary education. It is demanded that by 1985 the number of students in various vocational schools must account for more than 25 percent of the total students in senior middle schools and the percentage must increase to about 50 percent by 1990.

The meeting demanded: A qualified and stable teacher contingent must be established in order to develop education, and by 1985 most teachers must be able or basically be able to fulfill their teaching tasks. It is necessary to increase educational funds by various means. Beginning in 1984 every year the province, all prefectures, cities, and counties must spend 15 to 20 percent of their financial income on education, and minority nationality areas must spend 20 to 25 percent of their construction subsidies on education. An additional charge of 25 percent to agricultural taxes must be allocated to educational departments. In the meantime, it is necessary to fully arouse the enthusiasm of enterprises, units, rural communes, and brigades, and the broad masses in raising their own funds to establish schools. In order to develop education, CPC committees and government at all levels must put education on their agenda and hold discussions at least once every quarter so as to resolve one or two problems every time.

Principal responsible comrades of CPC committees and governments must grasp education just as they grasp agriculture and energy. All relevant departments, planning, financial, labor and personnel, and capital construction departments in particular, must treat as their own responsibilities support for the educational cause and must cooperate well with educational departments **to develop education.**

#### HUNAN'S MEASURES ON ADMINISTRATION OF SELF-EMPLOYED

HK240726 Changsha Hunan Provincial Service in Mandarin 1100 GMT 21 Sep 83

[Text] Recently the provincial industrial and commercial administrative bureau adopted effective measures to strengthen administrative work over self-employed industrialists and businessmen, protect their legitimate business, curb illegal practices, and crack down on those who bring disgrace to their groups. To date the number of self-employed industrialists and businessmen has reached nearly 300,000. In order to have a proper management of the market and to provide convenience for the masses, the provincial industrial and commercial administrative bureau has made the following six decisions:

1. During the period before National Day, each county should, starting with summing up experiences, commending the advanced, and exposing unhealthy tendencies in work, conduct universal education on socialism, patriotism, and observing laws and discipline among self-employed industrialists and businessmen. It should also be stipulated that new self-employed industrialists and businessmen must participate in training sessions to receive education before starting their businesses.
2. Accelerate the establishment and organizational work of associations of the self-employed. By the end of this year associations of the self-employed at county and city levels should have been set up in all localities. Existing associations should actively conduct activities in order to turn themselves into schools for educating their members.
3. Strengthen regular supervision and inspection and persist in acting according to law. Industrial and commercial administrative departments at all levels are required to fulfill their duties. They should commend and award self-employed industrialists and businessmen who abide by laws and discipline and run their business in a proper manner, criticize and educate those who have incorrect views and ways of running their business, and resolutely crack down on those who disgrace their groups, causing troubles to the market and engaging in profiteering.
4. Resolutely ban businessmen and peddlers without a license. We must act according to documents issued by the State Council and handle them according to their specific conditions after conducting serious investigations under the unified leadership of local governments. Those who have met relevant requirements should be asked to apply for a license to industrial and commercial administrative departments within a specified time. Those who do not meet the requirements for obtaining a license should be advised to give up their business. If they fail to listen to advice, they must be banned without exception.
5. Provide proper places for business so that self-employed industrialists and businessmen can properly do their business without causing confusion or obstacles to traffic.
6. Have sufficient qualified administrative personnel and consolidate administrative organizations. Industrial and commercial aministrative departments at various levels must have special administrative organizations or full-time administrative personnel for the self-employed. They must go deep into realities and conduct investigations, constantly sum up their work, and raise their administrative work to a higher level.

SICHUAN SEEN SUCCESSFUL AT FAMILY PLANNING

OW271140 Beijing XINHUA in English 1124 GMT 27 Sep 83

[Text] Beijing, September 27 (XINHUA) -- China's most populous Sichuan Province had nearly 69,000 fewer babies in the first half of this year, compared with the same period of 1982, and the total number of births was 460,000, according to today's HEALTH NEWS, the organ of the Ministry of Public Health. The rate of the first born babies was 73.51 percent, an increase of 5.28 percent. The rate in Chengdu and Chongqing reached 93.60 percent and 85 percent respectively.

Since 1971 the province's natural population growth rate has been around 100 per thousand. In 1982 it dropped to 8.96 per thousand.

According to the 1982 national census the total population of Sichuan was nearly one hundred million. Sichuan's progress in family planning has great significance for national population control.

The Chinese Government has set a goal of limiting the national natural population growth rate to 9.5 per thousand in the next 18 years so as to attain a population goal of 1.2 billion by the year 2000.

CHENGDU CITY PARTY CONGRESS CONCLUDES 24 SEP

HK260307 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 25 Sep 83

[Excerpts] The Sixth Chengdu City CPC Congress concluded yesterday afternoon. Since its opening on 20 September, the congress has discussed and approved Comrade Wu Xihai's report delivered on behalf of the fifth city CPC Committee, and passed a resolution on the report. It has examined and approved the work report of the city Discipline Inspection Committee and passed a resolution on the report. It has also elected the Sixth Chengdu City CPC Committee and Discipline Inspection Committee.

Comrade Hu Maozhou said at the closing ceremony: In order to fulfill the tasks put forward by the congress, we must be bold in carrying out reform and clear the way to forge ahead. Every party member, especially leading party cadres, must seriously study the "Selected Works of Deng Xiaoping," uphold the socialist orientation, centered on the general aim of building socialism with Chinese characteristics, strengthen the concept of the overall situation, bring into play the superior features of the new setup of city leadership of counties, and do a good job in building the Chengdu economic zone [jingji qu].

The congress was attended by some 800 delegates from all sectors. Responsible persons of democratic parties and well-known nonparty figures attended as invited guests.

## New CPC Committee Leaders

HK270238 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 27 Sep 83

[Text] The leading organs of the Sixth Chengdu City CPC Committee and of the Discipline Inspection Committee have been approved by the Sichuan Provincial CPC Committee. Wu Xihai is secretary of the city CPC Committee, and Hu Maozhou, (Zhang Weilong), and (Zhong Zuren) are deputy secretaries. (Feng Ruxiu) is secretary of the Discipline Inspection Committee.

The leading organs of the city CPC Committee and the Discipline Inspection Committee were respectively elected at the first plenary session of the sixth city CPC Committee and the first meeting of the Discipline Inspection Committee, held on 25 September.

XIZANG'S YIN FATANG ON CADRE TRANSFORMATION

HK270316 Lhasa Xizang Regional Service in Mandarin 2340 GMT 26 Sep 83

[Excerpts] On the afternoon of 26 September the delegates attending the regional organizational and party school work conference heard a speech by regional CPC Committee First Secretary Yin Fatang. The speech was in four parts: 1) further enhance understanding of the four transformations of the leadership groups and the cadre force; 2) speed up the pace of these four transformations, based on the actual conditions in Xizang; 3) implement the principle of two non-separations in building the leadership groups and the cadre force; 4) do a good job of work regarding old cadres and workers and create an excellent mood of cooperation of new and old.

Cao Xu, member of the Standing Committee of the regional CPC Committee and director of the Organization Department, presided at the meeting. Also present were regional CPC Committee Secretary Song Ziyuan and Standing Committee member and Propaganda Department Director Li Wenshan.

In his speech Comrade Yin Fatang said: Bringing about the four transformations of the leadership groups and the cadre force is the fundamental principle for building the cadre force in the new period. In light of the current situation in the leadership groups and the cadre force in Xizang, it is necessary to further enhance understanding and better implement this principle. He said: To speed up the four transformations of the leadership groups and cadre force in our region, it is first necessary to correctly analyze the leadership groups and the cadre force at all levels and see the favorable conditions for attaining this aim. We must emancipate our minds and give accelerated promotion to talented people. We must vigorously strengthen the training of the cadre force, especially of Tibetans and other minority nationalities, and make training a regular and systematic affair. This is the fundamental way for achieving the four transformations of the cadre force.

YUNNAN PEOPLE'S CONGRESS APPROVES APPOINTMENTS

HK270702 Kunming YUNNAN RIBAO in Chinese 11 Sep 83 p 2

[Text] Appointment List Approved by the Standing Committee of the Sixth Provincial People's Congress

(Approved at the third session of the Standing Committee of the sixth provincial People's Congress held on 19 September 1983)

The following is an appointment list approved based on the recommendation of Pu Chaozhu, governor of Yunnan Province: Li Jingyang [2621 2529 7122] to be chairman of the provincial Family Planning Committee. Sun Youshou [1327 2589 1108] to be director of the provincial Water Conservancy Bureau.

Appointment List Approved by the Standing Committee of the Sixth Provincial People's Congress

(Approved at the third session of the Standing Committee of the sixth provincial People's Congress held on 10 September 1983)

The following appointments are approved based on the recommendation of Duan Huamin, chief procurator of the People's Procuratorate of Yunnan Province: Bao Tongkong [0545 4547 1313] to be chief procurator of the People's Procuratorate of Dehong Dai-Jingpo Autonomous Prefecture. Liu Ping [0491 5493] to be chief procurator of the People's Procuratorate of Dali Bai Autonomous Prefecture. Yang Min [2799 2404] to be chief procurator of the People's Procuratorate of Honghe Hani-Yi Autonomous Prefecture.

HEBEI GOVERNOR RAPS INDISCIPLINE, IRREGULATITIES

OW270417 Beijing Domestic Service in Mandarin 0900 GMT 26 Sep 83

[Text] Speaking at a meeting held on 24 September and attended by leading members of departments and bureaus under the Hebei Provincial People's Government to exchange experiences in improving operational efficiency, Hebei Governor Zhang Shuguang urged all departments and bureaus under the provincial government to continue to tighten discipline, improve operational efficiency, and create a new situation for office work, according to the Hebei People's Broadcasting Station.

After mentioning indiscipline and other irregularities, Zhang Shuguang pointed out that such irregularities are totally incompatible with our party's glorious traditions and iron discipline.

He stressed that leaders of all departments and bureaus under the provincial government must eliminate such irregularities as listlessness, indiscipline, dereliction of duty and liberalization, improve operational efficiency, promptly carry out a campaign of learning from, catching up with, and striving to be advanced elements, and create a strong atmosphere under which each and every person will strive to contribute to the revitalization of China and Hebei.

CONTRACTS BOOST NEI MONGGOL LIVESTOCK BREEDING

OW241019 Beijing XINHUA in English 0736 GMT 24 Sep 83

[Text] Hohhot, September 24 (XINHUA) -- Inner Mongolia slaughtered or sold more than 8 million cattle and sheep in the livestock year ending June 30, 1983. This was a 12.2 percent increase over the previous year, according to local authorities.

Officials of the autonomous region attributed the rise in production to the contractual job responsibility system in effect since 1979. Livestock has been contracted to individual households, which plan their own development programs. The region reported an increase of 6.6 million head of cattle, sheep and other large animals over the past four years, with an average annual increase of 4.8 percent.

Annual net income in the region from animal husbandry was 1,790 million yuan in the 1982 livestock year. This is a per-capita average of over 250 yuan.

Nearly 100,000 households specialize in certain fields of production, including milk, meat and wool. There are increasing numbers of households whose annual income exceeds 10,000 yuan.

Many herding households joined in buying tractors, trucks or in opening new pastures. From 1979 to the end of July, the herdsmen opened 160,000 hectares of new pastureland, planted 400,000 hectares of grass and built about 1.5 million pens.

SHANXI'S LI LIGONG SPEAKS ON BUILDING LEADERSHIP

HK280151 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 27 Sep 83

[Text] Shanxi Provincial CPC Committee Secretary Li Ligong said at a gathering of cadres at and above county-level convened by the Yangquan City CPC Committee: It is not enough just to have new leadership groups; we must also build a third echelon force as quickly as possible.

Comrade Li Ligong arrived in Yangquan on 23 September to get to know the situation in party rectification pilot project work. On the morning of 26 September the city CPC Committee convened a meeting of leading cadres to sum up work, make arrangements, and further implement the decision of the Second Meeting of the Sixth NPC Standing Committee on cracking down hard on criminals.

Comrade Li Ligong spoke at the meeting. He urged everyone, under the leadership of the new leading groups, to seriously and repeatedly study Comrade Hu Yaobang's speech at the Taiyuan cadre gathering, study the "Selected Works of Deng Xiaoping," and correctly understand and deal with issues of the Great Cultural Revolution.

He said: The Great Cultural Revolution itself was a movement that allowed people to make mistakes. Not many people did not make mistakes. The sixth plenary session issued a resolution. We must understand the rights and wrongs in the light of the spirit of that session, and sum up experiences. We must continue to solve ideological problems, untie the knots, strengthen unity, and do our work well.

He also stressed: Following the establishment of new leadership groups, a number of old comrades have to withdraw to the second and third lines. Hence, we must stress unity of new and old. We must understand that this is the requirement of the four modernizations and of the overall situation; it is the requirement of the development of the party's cause. It is not enough just to have new leadership groups; we must also train younger comrades with education and ability and set up a third echelon force. The new leadership groups, on taking power, must also consider that in the future they will have to step down and hand over to the next group. They must make preparations for stepping down. Only thus can there be successors to the party's cause and can it prosper and develop.

Although the veteran comrades are retiring, that does not mean they are not making revolution or working. They may have retired from their jobs, but their thinking cannot retire, and their sense of the revolution and of responsibility for it cannot weaken in the slightest. The old comrades must happily support the work of the new leadership groups with minds at ease. They must truly succeed in providing wholehearted and sincere support. Thus they will be worthy to be called revolutionary veteran comrades and will be caring for the overall situation and thinking of the party's cause.

The new leadership groups must care for, respect, and cherish the old comrades. They must genuinely regard them as staff officers, and consult more with them when problems in work crop up. Of course this work will not be troublesome for them. In particular, we must listen to their views when we encounter major problems and policy decision issues.

#### SHANXI LEADER'S DEMANDS ON NEW BODIES NOTED

SK250942 Taiyuan SHANXI RIBAO in Chinese 1 Sep 83 p 1

[Excerpts] On the afternoon of 30 August Li Ligong, secretary of the provincial CPC Committee put forward four requirements on the new leading body of the provincial CPC Committee at the Taiyuan City CPC Committee work conference:

First, the new leading body must have a strong political stand. Comrade Li Ligong said: First of all, the new leading body must maintain great political unity with the CPC Central Committee and the work should be carried out in deed not just in words. The line, principles, and policies and a series of important decisions set forth by the CPC Central Committee must be earnestly studied and researched.

The new leading body must thoroughly understand their guidelines and implement them in line with the actual situation; adhere to principle while resolving issues of right and wrong; have a clear-cut attitude and must not work muddle-headed; and must do a good job in maintaining unity among new and old cadres, from higher to lower levels, in the party and outside the party, have confidence in one another and work with concerted efforts. It is necessary to adhere to the party's principle of leadership which stresses democratic centralism. All major issues and the appointment and removal of personnel must be democratically decided through collective discussions. They should not be decided by one person.

Second, the new leading body must work hard. Li Ligong said: Taiyuan City is the provincial capital and it occupies an important position and shoulders heavy tasks. It is the center of our province's energy and heavy chemical industrial base. The new leading body must perform their work well, upgrade their work and strive to achieve first-class achievements in line with the Taiyuan City overall plan which had been approved by the State Council and the construction target set forth by the Taiyuan City CPC Committee. Li Ligong said: Personnel of the new leading body must formulate well-organized plans for themselves. If they fail to do their work well within a few years, they must voluntarily apply to leave office. If they do a good job and win the trust of the people, they may be reelected and reappointed consecutively.

Third, the new leading body must study assiduously. Comrade Li Ligong said: Efforts must be made to attach prime importance to study. At present it is necessary to first study the "Selected Works of Deng Xiaoping," raise the ideological and political levels of cadres, integrate theory with practice and do all work well. He emphatically pointed out: We need modern knowledge to carry out the four modernizations undertakings. Generally speaking, our leading cadres are poor in modern knowledge and inexperienced in leading the four modernizations undertakings. They fail to thoroughly study many new situations and problems. Solving new problems with old ideas and outdated experience will not work. Therefore, the new leading body must study conscientiously and painstakingly.

Fourth, the new leading body must have a good work style. Comrade Li Ligong encouraged the new leading body to pay attention to work efficacy, raise work efficiency, and not stick to old ways and work dilatorily and listlessly. The new leading body must go to reality, contact with the masses, conduct investigations and research, sum up experience and help solve problems.

In his speech, Comrade Li Ligong said: This year Taiyuan City did a good job in all spheres of work and its political and economical situations, market supply, cultural, educational, and urban construction work were all good. It also did much to improve public security. Its speed of industrial growth exceeded that of the whole province. He expressed the hope that the new leading body will try their utmost to study painstakingly, to work diligently, and to create a new situation in the work of Taiyuan City.

Wang Jiangong, secretary of the Taiyuan City CPC Committee, spoke on behalf of the new leading body. He expressed determination not to let down the hopes of the provincial CPC Committee, and decided to formulate new methods, set high standards and strict demands on the new leading body itself and to win first-class achievements.

SHANXI OFFICIAL REPORTS ON ANTICRIME DRIVE

HK240333 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 23 Sep 83

[Excerpts] Provincial Public Security Department Director (Liu Jiuxiang) reported to the third meeting of the sixth provincial People's Congress Standing Committee: By severely punishing criminals, our province has shaken the enemy and boosted the people's spirits. A number of ringleaders and habitual criminals have fallen into the hands of the law. A number of criminal gangs who committed serious crimes have been smashed.

(Liu Jiuxiang) cited a host of facts in his report to show there has been a notable number of counterrevolutionary and major criminal cases in some parts of Shanxi in recent years. In particular, a number of thugs and hoodlums have formed into gangs to rob, rape, kill, and steal, thus seriously sabotaging social order. The degree of their savagery and viciousness is something rarely seen since the founding of the state. Subjectively, the main reason why certain criminals have acted in this frenzied fashion is that we have failed to clearly understand this serious struggle between ourselves and the enemy in the political field. We have not effectively exercised our functions of dictatorship and have not done well in applying the weapon of law to overcome criminal elements hostile to the people.

Since mid-August the political and legal organs at all levels in the province have resolutely implemented the principles and policies of the party and state on cracking down hard on criminal activities and fully played their role in exercising dictatorship over the enemy. With the support of the masses we have rapidly cracked a large number of criminal cases. Every time public security personnel capture or overpower criminals, and every time the worst of them are sentenced to death, the people applaud and say that it is good to grab and kill them.

(Liu Jiuxiang) stressed: At present the criminals have suffered stunning blows, and crime has dropped to some extent. However, the struggle remains extremely sharp and fierce. A number of counterrevolutionaries and criminals who commit serious crime are by no means reconciled to their defeat. Hence, we must resolutely implement the decision of the NPC Standing Committee on severely punishing criminals who seriously endanger social order, fight a continuous battle, advance from victory to victory, and crack down hard. We must dig out criminals who are hidden relatively deeply, and arrest fleeing and escaped criminals. We must promptly and resolutely suppress criminals who take violent revenge on law-enforcement personnel and the masses, and protect and support the activism of the masses in waging struggle against criminals.

WU XUEQIAN IN SAN FRANCISCO SPEAKS ON PRC-U.S. RELATIONS

HK270900 Hong Kong WEN WEI PO in Chinese 27 Sep 83 p 2

["Newsletter From America" by Wu Fan: "Wu Xueqian Speaks on Sino-U.S. Relations"]

[Text] Foreign Minister Wu Xueqian is cautiously optimistic about the present situation in Sino-U.S. relations and expects that Premier Zhao Ziyang and President Reagan will visit each other's countries soon.

At 1500 on 22 September at the Chinese Consulate General in San Francisco, State Councillor and Foreign Minister Wu Xueqian met more than 100 Overseas Chinese of various circles from the Bay area and delivered an important speech. In his speech, which lasted more than an hour, Foreign Minister Wu talked about the favorable situation in China, his present mission in the United States, Sino-U.S. relations, Sino-Soviet relations, the Hong Kong issue, the peaceful reunification of China and other topics. He said that what is uppermost in the minds of the people throughout China and of the central as well as local governments is to perfect our policies and to gain international assistance on the basis of equality and mutual benefit in order to promote the four modernizations.

While speaking on Sino-U.S. relations, Foreign Minister Wu said that he had come to the United States to attend the 38th UN General Assembly and that this was the first time he will attend such a gathering since his appointment as foreign minister last year. After attending the UN General Assembly, he will pay a 5-day visit to Canada and another 5-day visit to the United States. Through developments the past 10 years fairly good foundation has been laid in Sino-U.S. friendly and cooperative relations. Was it possible a few years ago to send so many Chinese students to study in the United States and to promote economic and cultural exchanges between the two countries at the present level? It is our subjective desire that Sino-U.S. relations will develop along a healthy path. However, this should not be a one-sided wish. The principle we follow is that we must implement an independent policy. I will talk about this issue at the National Committee on Sino-U.S. Relations.

In ancient times, China was the most advanced country in the world. However, following the Opium War in 1840, due to the rule of the feudal Qing Dynasty, the northern warlords, and the KMT, China was diplomatically discriminated against. Since the founding of New China in 1949 the Chinese people have stood up. Although China is poor, it has noble aspirations. It will never adhere to the old ways: First, China will never attach itself to any big powers; second, it will never yield to pressure from any big powers, including the USSR. The USSR and the United States possess more than 95 percent of the world's nuclear weapons, but China has never yielded to pressure from the USSR. There will not be any dramatic breakthrough in Sino-Soviet relations because of three main obstacles. These three main obstacles are: 1) The USSR has massed 50 divisions of troops along the Sino-Soviet border and has deployed 5 army divisions, air units, and SS-20 missiles in Mongolia. All these should be reduced to the level of Khrushchev's time; 2) the USSR must withdraw its troops from Afghanistan because that country is China's close neighbor; and 3) the USSR should stop supporting Vietnam in its invasion of Kampuchea.

The Taiwan issue is the main stumbling block in Sino-U.S. relations, although China and the United States have issued a number of joint communique, such as the joint communique on the establishment of diplomatic relations, the joint communique on U.S. arms sales to Taiwan signed on 17 August 1982, and others.

China has adopted a reasonable attitude toward the Taiwan issue. It has taken into account past U.S.-Taiwan relations, historical relations, and present difficulties. However, our basic principle is that we desire the peaceful reunification of the motherland. Our attitude toward the issue of U.S. arms sales to Taiwan is also reasonable. We hope that the United States will gradually reduce its arms sales to Taiwan, leading over a period of time to a final resolution. The "Taiwan Relations Act" adopted by the United States is illegal, because it still regards Taiwan as a political entity. This has hampered normal Sino-U.S. relations. Therefore, we stress that only by suiting actions to deeds can both sides strengthen their mutual understanding and trust. There is a wide prospect for Sino-U.S. relations. People should avoid myopia in this respect.

With regard to Sino-U.S. relations, we should adhere to our principled stand. In the meantime, we should be flexible in dealing with the matter. In recent years we have increasingly developed our foreign relations. Last year we established diplomatic relations with four other countries, including Lesotho, Angola, and the Ivory Coast, in Africa, and others. Antigua and Barbuda in the Caribbean and other countries are also preparing to establish diplomatic relations with us. We have developed good relations with Western Europe. We are planning to purchase nuclear power stations from France. The Belgian telephone company in Europe has sold us advanced technology, which is imported from the United States, regardless of the view of the planning commission [tong chou wei yuan hui 4827 4693 1201 0765 2585] in Paris. By relying on our policy, we have more and more friends. In the final analysis our prestige in the world will be enhanced on the basis of doing well in the domestic economy and improving the people's livelihood. Wu Xueqian hoped that foreign citizens of Chinese origin will make more contributions.

With regard to the reunification of China, Wu Xueqian said that the fourth round of Sino-British talks on the Hong Kong issued started on 22 September. The key to the matter lies in China's recovery of its sovereignty over Hong Kong. Sovereignty is a matter that cannot be discussed. Before he boarded the plane to leave Beijing, AFP reporters asked him to express his views on the Hong Kong issue. He said that he had nothing to say about the issue. However, he stressed that the key to this issue lay in Britain's changing its rigid position. To the British, China cannot administer Hong Kong. Once China does so, the prosperity and stability of the territory will not be ensured. Foreign Minister Wu said that he read a report carried in NEWSWEEK saying that Britain intended to extend the lease for another 20 to 30 years. This will never do. We are also dealing with the Taiwan issue. With regard to the reunification of the motherland, Foreign Minister Wu stressed that he himself sincerely desires the peaceful reunification of the motherland. However, we should not be too impatient.

In conclusion, Foreign Minister Wu thanked Overseas Chinese of various circles for their contribution to promoting Sino-U.S. friendship and various exchanges between the two countries and their support for the Chinese organs abroad. After his speech, Foreign Minister Wu answered questions raised by the guests.

GOVERNMENT TAKES CONTROL OF COLLAPSED BANK

HK280208 Hong Kong SOUTH CHINA MORNING POST in English 28 Sep 83 pp 1, 11

[Report by Barry Choi and Jill Hartley]

[Excerpt] The government has from today taken over the collapsed Hang Lung Bank which will open business this morning with a firm government undertaking that it will stand behind depositors.

The unprecedented move was hurriedly given legislative effect late yesterday afternoon by the Legislative Council during a 15-minute special session.

The takeover followed a severe shortage of liquidity at the bank yesterday, caused by events in past days coupled with repayment of borrowing from its clearing bank. Hang Lung -- a local bank with 28 branches -- was the subject of a bank run in early September last year.

According to the financial secretary, Sir John Bremridge, Hang Lung reported to the commissioner of banking yesterday morning that it was unable to meet in full its liabilities to the clearing house in respect of cheques drawn by its customers.

Sir John told Legco: "It made various unacceptable suggestions.

"The Chartered Bank informed the secretary for monetary affairs that it was not prepared to cover about HK\$50 million overdrawn on Hang Lung Bank's clearing account with it and that consequently it intended to inform the clearing house at 10:15 am that the Hang Lung Bank was unable to meet its clearing.

"This would have meant that HK\$148 million worth of cheques would have been returned to the banks submitting them for clearing. A serious situation would have resulted."

Sir John said as an emergency measure the government has undertaken to cover the position for one day to avoid cheques being dishonoured.

Yesterday's passage of the Hang Lung Bank (Acquisition) Bill 1983 -- which gave legislative effect to the takeover from today -- was designed as a longer term measure to protect the bank's depositors.

Sir John said the unhappy situation regarding Hang Lung -- "of the possibility of which the Government has long been aware" -- owed nothing to present political issues.

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**DATE FILMED**

Sept 29, 1983

